

# the PartyRoom

Published by the Hon Andrew Robb AO MP & Senator Mitch Fifield



ISSUE 5, WINTER 2007

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THE AUSTRALIAN UNION PARTY  
THE HON JOE HOCKEY MP

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LABOR'S LACKING IDEAS ON ENERGY  
DR DENNIS JENSEN MP



# *the* PartyRoom

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Printed by Document Printing Australia P/L 332 - 342 Lorimer Street Port Melbourne Victoria 3207

*The Party Room is a journal designed to promote new policy discussion by showcasing the breadth of ideas amongst current members and senators who make up the Party Room within the Federal Coalition.*

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## **P** SENATOR MITCH FIFIELD



There is nothing more important for a government than listening, understanding and responding to the concerns of its citizens. The capacity to listen and respond to the electorate is an important measure for the public to apply, not just to a long serving government, but also to an opposition presenting itself as an alternative.

A significant indicator of a party's capacity to understand the electorate is the composition of its parliamentary delegation. Both the Labor caucus and Coalition partyroom contain parliamentarians from many backgrounds. Balance is important. A mix of experience leads to better overall representation. A look at the former occupations of federal parliamentarians is instructive.

Tellingly, only 2 members of the Labor Party have ever run a small business compared with 30 members of the Coalition. And 43 Coalition Members and Senators have a business background of some sort compared with just 9 Labor parliamentarians. More revealing is the fact that not a single Labor parliamentarian has a farming background compared with 16 members of the Coalition who do.

But Labor's occupational balance is even more skewed in relation to those with a professional political background. Immediately prior to entering parliament 9% of Coalition Members and Senators were working as political staff. For Labor the figure is double - 18%. Add the Labor colleagues who were working as union staff and the figure jumps to a staggering 49%. Include Labor parliamentarians who at some point worked in politics or for unions and the figure explodes - an astonishing 75% of Labor MPs have previously worked in professional politics.

The picture is even starker in the Senate. Of Labor's 28 Senators, only three haven't worked for unions or in politics. And one of those, Linda Kirk, has just been disendorsed in favour of, you guessed it, a unionist.

Labor's political gene pool won't be deepened by those seeking to enter Parliament at the coming election. The Labor candidates are a virtual congress of professional unionists - Shorten (AWU), Combet (MUA/ACTU), Cameron (AMWU), Farrell (SDA), Symon (ETU), Marles (TWU/ACTU) and Harkins (ETU). In contrast, Coalition candidates include a builder (Bob Day - Makin), a former soldier (Luke Simpkins - Cowan), a doctor (Sue Page - Richmond), a small business owner (Samantha McIntosh - Ballarat) and a journalist (Charlie McKillop - Leichhardt).

No single occupation should dominate any party. Unfortunately the Labor caucus is dominated by one profession and several key occupational categories are practically absent. Even Labor's Dr Carmen Lawrence agrees. She has rightly asked "What kind of representation is it where the candidates are not even remotely typical of the wider society...?"

Even with the best will in the world, Labor can't help but be disconnected from the electorate.

The Labor caucus lacks the variety of occupational and life experience evident within the Coalition. In the pages that follow, Coalition colleagues analyse how Labor's narrowness manifests itself in policy. There is as much chance of the Labor Party developing good policies for all Australians as there is of Joe McDonald saying, "Good morning, may I come in please?"

Australians need governing parties with the capacity to understand the challenges faced by the whole community. Only the Liberals and Nationals do.

I worked on the machine side of politics for nearly ten years from the late 80s. People often ask me: “what are the trickiest, most effective campaign techniques?”

Over time, the answer became obvious to me. Good policy is the basis of enduring success in politics. It forms the critical foundation of an effective campaign.

I found the same to be true in business. Without a good product, no amount of slick marketing would see you through. Ultimately a bad product would be exposed.

In politics your core product is your set of policies; your vision of taking the community from where it is to where they would like to be, and how you will get them there.

And good policy only comes about through much hard work. It is a difficult process as you build a set of internally consistent, well thought out, road tested policies which reflect your core beliefs.

During the 80s and first half of the 90s the Coalition went through the hard policy development process.

Many times there were public and often embarrassing stoushes over policy directions and detail. It was a bruising experience.

Yet much of the subsequent success of the Howard Government has been built on that body of clear and consistent policy across so many areas.

Observing Labor over the last 11 years, they have not done the policy work. Labor is relying on slick marketing to get them through.

When was the last time Labor truly had an internal policy debate? Labor does not know what it stands for; it is a wonder the public doesn't either.

New Labor Shadow Ministers were reported in The Bulletin earlier this year to have found the “policy cupboard bare” when they took over their positions.

This has been borne out. Labor's 27 page “Education Revolution” had a page on policy, and a lonely four paragraphs on vocational and technical education. Labor's 21 page broadband document had 20 pages of commentary and one page of policy.

On the one area you would expect Labor to have done its homework – IR – they were forced into a raft of embarrassing back downs and changes within a week of releasing it, and still face a host of unresolved matters.

Any political Party seeking election to office is a huge risk if the policy work has not been done. Labor stands exposed on this critical front.

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**THE HON ANDREW  
ROBB AO MP**



# Here they come again

## THE HON PETER COSTELLO MP



Peter Costello has been the Treasurer of the Commonwealth of Australia since March 1996 and is the longest-serving Treasurer in Australia's history.

He was first elected as the Member for Higgins in 1990 and has served as Deputy Leader of the Liberal Party of Australia since May 1994.

He is married to Tanya and together they have three children. He enjoys cooking on the BBQ at home and watching his beloved football team the Essendon Bombers.

Over the past eleven years, the Coalition Government has transformed Australia's economy. Members of the Government will be familiar with the results – unemployment below 5%, real wage increases above 20%, average inflation of 2.4%, \$96 billion of Labor debt eliminated and the longest period of continuous economic growth in our nation's history.

Last year Mr Rudd labelled these outcomes as "Brutopia": an imaginary place described in Donald Duck comics. The people of Australia know better.

More recently there have been claims (mostly made by Paul Keating) that all of these results are the good work of Paul Keating. Sometimes, when this wears a bit thin, Labor claims the good results are just good luck coming from the mining boom.

No, these achievements are the result of hard work. The Government has balanced the Budget, paid off Labor's debt, cut the corporate tax rate and capital gains tax, cut all personal income tax rates, increased each threshold far in excess of indexation, abolished wholesale sales tax, introduced GST, reformed industrial relations and enshrined an independent monetary policy with an explicit inflation target.

These policies are not the result of random decisions taken in a philosophical vacuum. All these policy decisions reflect the Government's underlying philosophy towards the economy. It is a philosophy that embraces a strong and independent private sector operating in an open, transparent, medium term framework free of overbearing government intervention.

It is a philosophy which sees the government enforcing the rules and building the framework, not behaving like a competing player, intervening for some players and against others.

### Labor's interventionism

There is a competing philosophy, which calls for government intervention in, and direction of, the nation's business sector. Over the last decade, this philosophy has been championed by the Australian Labor Party under different guises: "the Asian model"; the "new economy"; and now the Rudd catch-cry: "post the mining boom".

A telling article appeared in the *Courier Mail* in January, written by former diplomat Jeremy Webb in praise of Kevin Rudd's interventionist approach to the economy. He wrote:

*There are a number of diplomats and trade officials who, like myself, were in the Foreign Affairs Department at the same time as Rudd and, like him, served in South-East and North Asia.*

*This group has long understood that a more interventionist economic policy platform could produce sensible growth-supportive policies.*

Central to all these ideas is a belief that business needs clever bureaucrats like Mr Rudd and Mr Webb to tell them which industries they should invest in and which projects will generate the best returns. Left to their own devices, without the guidance of officials from the Department of Foreign Affairs, it is assumed these business people will make poor decisions.

But history teaches us that the private sector is quite capable of making investment decisions and, in a stable macro-economic framework of strong property rights, low inflation and certainty of contract, can better assess risk and return than government. Their decisions are less open to distorting influences which might affect a politician's judgment – for instance, how to appeal to local interest groups, or how to appeal to the union bosses who control pre-selections.

More importantly, private companies spend their shareholders' money. If they lose it then the shareholders pay – not the taxpayer. Past debacles like WA Inc, Tricontinental, the Victorian Economic Development Corporation and the failed State Bank of South Australia are good examples of taxpayers paying for bad government investments.

Yet Kevin Rudd believes in the old interventionist philosophy which gave rise to these catastrophes. That philosophy remains in the Labor Party's constitution, which endorses "democratic socialism" and lists as an objective: "the establishment and development of public enterprises, based upon federal, State and other forms of social ownership."

Mr Rudd proposes to spend five billion dollars of taxpayers' money on

a fibre optic network which private companies are competing against each other to build, without any taxpayer support.

His Shadow Industry Spokesman, Senator Kim Carr, recently spoke disparagingly of “burger flippers” and “cappuccino makers,” saying that the Australian Government should be intervening in our economy to force it towards manufacturing rather than services. Carr thinks that real jobs come from iron and steel, not food and drink. Of course, unionising manufacturing workers is far easier than unionising employees in the services sector.

### **The Asian model**

Federal Labor has a long and inglorious history of false prophecy on the economy. In 1994, Labor’s Gareth Evans said “all available projections indicate that the momentous growth of North East Asia and South East Asia will continue throughout the 1990s.”

Soon afterwards, the Asian currency crisis plunged the region into chaos. Asian-style interventionism lost a lot of its lustre. But the proponents of government intervention never lost their faith.

### **The New Economy**

By the turn of the century the intervention was not to be for an Asian style economy, but in aid of the “new economy.” Kim Beazley stated in his 2000 Budget Reply that “the Howard Government has given up on the elements we need to become part of the new economy,” and promised to “set us on the road to the Knowledge Nation.” Labor enthusiastically signed up to any idea with a “dotcom” at the end of its name.

At the end of 2000, the tech bubble burst and dotcom stocks plummeted. “Old economy” investors like Warren Buffett laughed all the way to the bank, while the newer dotcom millionaires sold their sports cars and pawned their wives’ jewellery. Traditional resource stocks – the part of the economy that Labor had

been pouring scorn over – came right back into fashion.

Now Kevin Rudd and Wayne Swan bang on about the mining boom. This is quite an irony. If it had been up to Labor, we would have bet against the mining boom in favour of IT – just on the eve of the tech wreck. Labor didn’t see mining coming and didn’t want to help it. In fact, Labor wanted to wind back the Diesel Fuel Rebate Scheme for mining in 2003.

Of course, none of this is to belittle the future of Australia’s growing information technology industries. But the role of government is to keep the economy open for new opportunities, new start-ups, by keeping the costs and taxes of start-up businesses low – for example, through the Entrepreneur’s Tax Offset – not to select which industries are to succeed.

The stories of the Asian crisis and the tech wreck teach us a valuable lesson – governments are not good at predicting where tomorrow’s profits lie. We should never gamble our economy on a guess.

### **Post the Mining Boom**

Now Labor wants to tell us what businesses should be chosen to prosper “post the mining boom.” Labor thinks that business needs a bit of direction from ministers like Wayne Swan and Simon Crean.

Jeremy Webb, Mr Rudd’s contemporary in the diplomatic service, gushes admiringly:

*To those of us who were on the ground in Asia it was always obvious that something far more complex occurred. These countries – such as South Korea – were highly dirigiste, often brutally pushing investment into chosen sectors, subsidising winners and carefully managing domestic consumption. It was always a judicious mix of market mechanisms*

*and direct intervention.*

The “Knowledge Nation,” the “education revolution”, the “new economy” and “post the mining boom” are slogans which mask Labor’s real fascination with government as a commercial player, intervening in the market and playing with other people’s money. There’s a word for it, Mr Rudd – “dirigiste.”

The job of government is not to steer investment out of profitable activities – for example, the mining industry – on the basis of economic theories cooked up by bureaucrats or academics.

The best way to manage an economy is to keep the fundamentals strong. If other areas of the economy look like they will offer better returns than mining, watch the shift in investment. And the real inventions of tomorrow are likely to be things we cannot even conceive of today. But if the economy is open, transaction costs are low, property rights are certain, we are likely to see them take off much better than under the benign intervention of the Labor frontbench.

The statistics that Liberals have become so proud of reciting – record lows in unemployment, rising real wages, steady growth – have occurred because the Coalition has championed an independent private sector as the engine room of our economy. This principle has been very important to the strong economic growth and prosperity of the last decade.

Labor’s “dirigisme” is likely to end very badly.

# The Australian Union Party

THE HON

**R** JOE HOCKEY MP



Joe Hockey is the Federal Minister for Employment and Workplace Relations, Minister Assisting the Prime Minister for the Public Service and the Member for North Sydney. He was elected to Federal Parliament in 1996.

Joe's current ministerial responsibilities can largely be described as being the Minister for Jobs. This involves creating the environment for people to get a job, for businesses to want to hire staff and for there to be flexibility in how it is done for the benefit of all Australians.

Joe is married to Melissa and is the proud father of Xavier and Adelaide.

Kevin Rudd has spent the last month trying to create the impression that the trade union movement has no significant influence over the workings of the Australian Labor Party.

Nothing could be further from the truth. Every single Federal Labor politician is a member of a union. This is despite the fact that only 15 per cent of the private sector workforce have chosen to join a union.

Among his Parliamentary ranks, Kevin Rudd can already boast three MPs who have been President of the Australian Council of Trade Unions – Martin Ferguson, Simon Crean and Jennie George.

The great irony is Labor under Kevin Rudd is more closely aligned to the union movement than it was three decades ago. As *The Sydney Morning Herald* recently noted:

*“30 of Labor’s current 88 federal politicians worked as union or party officials immediately before they were elected. That represents 34 per cent of the federal caucus at a time when the proportion of the workforce that is unionised has fallen to 20 per cent.”*

*“By comparison, back in 1974, when 55 per cent of employees were union members, just 24 per cent of the Whitlam Government’s MPs were ex-union and party officials.”*

The Herald analysis, however, only tells part of the story. The SMH includes members who were union representatives immediately prior to entering parliament. When all MPs who have worked as a trade union at any time are taken

into account, Kevin Rudd can lay claim to the fact that almost 70 per cent of his frontbench are former union officials.

In fact, Mr Rudd has encouraged more union officials onto the Labor Parliamentary benches and into the Shadow Ministry, saying “...get them in and get them in early.” (Kevin Rudd, *Press Club Address*, 17 / 04 / 2007)

A number of high profile unionists have gained preselection and are set to enter the Parliament at this Federal election:

- Greg Combet, the Secretary of the Australian Council of Trade Unions has gained preselection for the New South Wales seat of Charlton.

- Bill Shorten, the National Secretary of the Australian Workers’ Union has gained preselection for the Victorian seat of Maribyrnong

- Doug Cameron, the National Secretary of the Australian Manufacturing Workers’ Union has gained preselection for the New South Wales Senate.

- Don Farrell, the South Australian Secretary of the Shop and Distributive Allied Employees’ Union has gained preselection for the South Australian Senate.

What that means is that under a Rudd Labor Government, three out of four Labor Ministers will have previously worked as a paid trade union official.

Union domination of Labor has meant the formulation of policy that will allow unions back into every Australian workplace.

Kevin Rudd has allowed Julia Gillard and Mr Combet to accept an extreme policy based on pro-union ideology. We know what the unions want because Greg Combet let the cat out of the bag in June last year when he told *The Australian*: “I recall we used to run the country and it would not be a bad thing if we did again.”

In order to consolidate his political support base with the Labor Party, Mr Rudd allowed Ms Gillard and Mr Combet to write policy that would reimpose many of the centralised and rigid features of the workplace relations systems that existed before the first wave of reforms in 1996.

Labor and the union bosses want to wind the clock back by reintroducing the job-destroying unfair dismissal laws for small business, tearing up Australian Workplace Agreements and allowing inflationary industry-wide pattern bargaining.

Labor and the union bosses have locked themselves into an extreme ideological position. This is why Labor can't support Australian Workplace Agreements. Labor does not like AWAs because the union bosses – who are funding their election campaign to the tune of nearly \$100 million – don't like AWAs. And union bosses despise AWAs because it sometimes means they are not guaranteed a seat at the negotiating table.

Over recent weeks we have seen what life would be like with unions at every workplace negotiating table.

No-one will soon forget Dean Mighell, the foul mouthed Victorian face of the Electrical Trades Union. We heard the tape of his address to members of his union where he boasted about coercing employers into pay rises. We also heard him liken

the Australian Building and Construction Commission, the independent construction watchdog, to a group of paedophiles.

Within a day of the tapes release, Kevin Rudd demanded that Mr Mighell have his membership of the ALP revoked. What Mr Rudd didn't tell you was that Dean Mighell had resigned from the Labor Party before.

Nor did Mr Rudd mention it was a meaningless political stunt. Within weeks, the Victorian Secretary of the ALP publicly stated that Mr Mighell may join the party again after the election and continue to play a significant role in the labour movement.

Nor will we forget the tactics of senior Construction Forestry Mining and Energy Union Official Joe McDonald who was caught on camera bullying and threatening building management on West Australian construction sites. Mr McDonald's gave us valuable insight into the thinking on the union movement. Reports of the video quote McDonald saying, “You wait till Kevin Rudd's elected. I'll be back.”

We know that the union movement are salivating at the prospect of Kevin Rudd and wall to wall Labor Governments both State and Federal. An avalanche of Labor will mean an avalanche of union control and entry into every Australian workplace.

Mr Rudd's increasingly farcical attempts to distance himself from the union bosses end up showing how dependent he is on their money, their candidates and their policy.

Rather than tying himself in rhetorical knots, Kevin Rudd should take genuine action to show he is actually serious. His first step must be to junk Labor's flawed industrial relations policy.

*“Union domination of Labor has meant the formulation of policy that will allow unions back into every Australian workplace.”*

*I am a firm believer in the people. If given the truth, they can be depended upon to meet any national crises. The great point is to bring them the real facts.*

**ABRAHAM LINCOLN**

THE HON

JULIE BISHOP MP

R



*Julie Bishop was appointed Federal Minister for Education, Science and Training in January 2006.*

*Prior to entering Parliament, Julie practised as a commercial litigation lawyer for 20 years and was Managing Partner of national law firm Clayton Utz in Western Australia.*

*Julie was previously Minister for Ageing, from 2003 to 2006 and she is the Federal Member for Curtin, Western Australia.*

*When at home Julie enjoys reading, running along Cottesloe Beach and supporting the West Coast Eagles.*

Australian education and teacher unions are running a dishonest public campaign about schools funding.

If these organisations were corporate businesses such behaviour would result in them being in breach of the Trades Practices Act for misleading and deceptive conduct.

The campaign seeks to deliberately mislead people about how State Government schools are funded and insinuates there is bias in taxpayer funding towards Catholic and Independent schools.

It is a fact that State and Territory Governments have primary responsibility for funding State education systems.

State and Territory governments employ the teachers, own, build and maintain the school buildings, and develop curriculum and methods of assessment in State Government schools.

The Federal Government provides supplementary funding.

Currently, 67% of students are in State Government schools and receive 75% of total (State and Federal) taxpayer funding.

The Howard Government believes that every parent has a right to choose a school that they believe best meets their child's needs.

To facilitate choice, there must be a strong public education sector and a strong private education sector.

That is why the Howard Government believes that parents, having paid their taxes, are entitled to receive some public funding if they choose to send their child to a non-government school.

The recent Productivity Commission Report on Government Services found that in 2004/05 students in public schools received

an average of \$10,715 per student in taxpayer funding, while non-government schools received \$6,051 per student in taxpayer funding.

State Government schools receive more public funding per student than children in Catholic and Independent schools.

Over the past decade there has been a steady increase in enrolments in non-government schools – around a 20% increase, while enrolments in the government sector have increased by only 1%. It is forecast that this trend will continue over the next decade.

While the education unions are running a public misinformation campaign to unfairly attack the Howard Government, in fact State and Territory Labor Governments are secretly relieved at the enrolment trends.

The education of students at Catholic and Independent schools represents a saving to State and Territory Governments of more than \$9 billion each year through not having to provide schools for these students.

Australian Government recurrent funding for public schools has been linked to State Government funding by the same formula since 1985. The more State Governments increase funding to their schools, the more the Commonwealth automatically increases its funding.

In addition to recurrent funding linked to the State Government investment in their schools, the Howard Government has provided additional funding through programs such as Investing in Our Schools, which will provide an additional \$820 million for State Government school infrastructure.

The Howard Government has provided record funding to State

Governments for State schools in every year since 1996.

Federal funding to State Governments for State schools has increased 70% in real terms since 1996.

In 2006 the Howard Government increased total funding to State Government schools by 11% while State Governments only increased their funding by an average of 4.9%. If States had matched the Federal rate of increase there would have been an additional \$1.4 billion for State Government schools.

The Howard Government will continue to hold the State and Territory governments accountable for federal funds to ensure that the educational bar is raised for every child in this country, whether the school they attend is public or private.

Instead of denigrating parents who choose a non-government school, the education unions and Federal Labor should be putting pressure on State Labor Governments to provide appropriate levels of funding and resources for State Government schools.

The forthcoming election is providing an insight into Federal Labor's thinking on schools funding.

Labor says it will fund all schools according to need.

How will Labor assess need?

According to the draft Labor Party National Platform and Constitution 2007:

*Labor will adopt new funding arrangements for non-government schools that reflect the following principles:*

- *The resources available to non-government schools, including income from private sources, will be considered when assessing financial need.*

Sound eerily familiar?

That is because it was the basis of the infamous Mark Latham 'Hit List.'

Labor Party National Platform and Constitution 2004:

*Labor will adopt new funding arrangements for non-government schools that reflect the following principles:*

- *The resources available to non-government schools, including income from private sources, will be considered when assessing financial need.*

The Labor 'Hit List' used a 'Resource Index' that included income from private sources, and was used to target Catholic and Independent schools to reduce funding.

Executive Director of the Association of Independent Schools of NSW Dr Geoff Newcombe has described Labor's 'Resources Model' as a "direct attack on parents of children in Independent schools."

Labor now says all schools would be funded on need, that is, according to the 'Resource Index' which is the basis for the "Hit List." Labor's Hit List has now been extended to all schools - State Government and Catholic and Independent schools.

For the first time, this means State Government schools that are successful at fundraising and which attract fees from parents will be disadvantaged by Labor's 'Resources Model,' should Labor win office.

The Labor Party must now identify the schools, non-government and government, which will be adversely affected by Labor's policy of including income from private sources when assessing their entitlement to funding.

**"Labor's Hit List has now been extended to all schools..."**



***A fanatic is a person who couldn't change their mind, and wouldn't change the subject.***

**SIR WINSTON CHURCHILL**

# Labor's unbalanced approach to climate change

**THE HON  
MALCOLM TURNBULL MP**



*Malcolm Turnbull was elected as the Federal Member for Wentworth at the general election on 9 October, 2004. He has forged a distinguished career prior to entering politics, having won the Rhodes Scholarship he has worked as a journalist, barrister and a grazier. Malcolm has also held directorships on some of Australia's most successful corporations and was chairman of the Australian Republican Movement. He is currently Chair of the Menzies Research Centre.*

*Malcolm was appointed Minister for the Environment and Water Resources in January 2007 having held the position of Parliamentary Secretary to the Prime Minister with special responsibility for water policy since January 2006.*

*Malcolm is married to Lucy and they have two children, Alex and Daisy.*

The contrast between Labor and the Coalition on climate change policy could not be more stark. And the difference between us has everything to do with Australia's economic and energy security into the future.

The Prime Minister recently released the report of his Task Group on Emissions Trading which put forward a responsible and measured road map to a low emissions future for Australia taking into account the local and global implications of what is the greatest economic challenge facing the world today.

Australia will move towards a domestic emissions trading system by 2012: the most comprehensive scheme the world has seen, accounting for more than 70 percent of our emission sources. It will be broader in scope than the scheme proposed by the Australian states and territories and more far-reaching than the scheme currently operating in the European Union.

All emissions-reduction technologies will be open for consideration, including nuclear power and the scheme will be designed to take account of global developments while preserving the competitiveness of our trade exposed industries. It will be a world-class system, rigorously grounded in economics and founded on strong governance arrangements.

In committing to an emissions trading system, the Australian Government will set a long term aspirational target for reducing carbon emissions. This is where there is a significant and important divergence between us and Labor.

The Australian Government will set a long-term target by assessing very carefully over the coming year, with detailed economic modelling,

the impact any target will have on Australia's economy, jobs and families.

We don't apologise for spending time to carefully build the framework necessary to ensure an efficient, reliable and accountable system, and to establish a target that is sensible and economically responsible.

By contrast, Mr Rudd seeks to impose a 60 percent unilateral cut in greenhouse gas emissions by 2050, regardless of what other countries may do. It is a target he has no idea how to meet. Labor simply has not considered the cost to the Australian economy, the cost to Australian jobs, and the impact on investment.

We know that Peter Garrett has sights on a much earlier target: 20 percent by 2020 – something he has stated in Parliament. In the expert view of the Emissions Trading Taskforce this would equate to replacing Australia's entire existing fossil fuel-fired electricity generation capacity with electricity from nuclear energy while at the same time removing all existing vehicles from our roads.

Recklessly locking Australia into unilateral targets, such as Labor proposes, would not only significantly damage our economy, but have no real impact in reducing global emissions. Labor will simply impose restrictions on our own industries without regard to actions taken by the rest of the world, such that they will be forced to move offshore where such constraints do not exist. Labor will simply export the jobs and the emissions.

Australia will be poorer and the world no cooler. To put this into perspective, we produce around one and half per cent of the world's greenhouse gas emissions. If we shut down our power stations tomorrow, this would be replaced by the growth

in developing countries' energy sector emissions in 5 months.

It has been the Howard Government's long-held view that climate change is a global problem that demands a global response. The major framework to do this to date has been the Kyoto Protocol. The Protocol is an international treaty by which it was agreed that a number of developed countries would meet certain emission targets between 2008 and 2012.

As a global framework, Kyoto has a number of shortcomings and will fall well short in terms of delivering what the world requires. Firstly, it requires countries responsible for only one-third of the world's emissions to act, whereas countries producing the other two-thirds of the world's greenhouse gases have no such obligations.

Secondly, even if all developed countries were to meet their commitments under the Protocol, we would see just a 1 percent reduction in the growth of emissions. When you consider that developing countries will account for more than three-quarters of the projected increase in global emissions to 2030, Kyoto is hardly going to deliver the solution the world needs.

Further, we already know that Australia is one of few countries on track to meet its Kyoto target through taking domestic action within our own national borders. Many countries are not and by a long margin.

In fact, the Kyoto Protocol is having a number of perverse effects on the environment. For example, the Clean Development Mechanism established under the Kyoto framework is having a minimal impact on reducing carbon emissions. In fact, while it was strongly expected that the CDM would drive incentives for investment in low-carbon energy in developing countries nearly two-thirds of emissions reduction proposals

do not involve CO2. Instead what we are seeing in countries such as China is large investments in, for example, reductions in refrigerant gas by-products such as hydrofluorocarbons or HFC-23.

If we are going to seriously address climate change, countries like China and India need to invest in efficient, low-carbon emitting electricity generating plants. This is not being driven by the Kyoto Protocol. The Australian Government remains focussed on real, practical actions that will make a material difference.

The reality is that the Old Kyoto is now part of history. The New Kyoto is the way forward. It has been our long-held view that it must include all major emitters undertaking measures, no doubt at different paces and in different ways suited to their individual circumstances, to achieve the substantial reductions in emissions world needs. The leaders of the Group of Eight economies at a meeting in Germany acknowledged the importance of this fact.

Climate change is the great economic challenge of our times. Wise leadership is critical if we are to reach a genuine environment outcome while ensuring that our economy and the jobs of Australians remain in tact. Other nations stand ready to take advantage of any Australian Government that is naïve or inexperienced enough to drop its guard and act against national interest.

The Howard Government's policies are designed to get the right environmental result for the world, and at the same time protect Australia's national interests.

*“Recklessly locking Australia into unilateral targets, such as Labor proposes, would not only significantly damage our economy, but have no real impact in reducing global emissions.”*

## THE HON PHILIP RUDDOCK MP

R



*Philip Ruddock has represented the New South Wales electorate of Berowra since the 1992 redistribution. He has previously held the seats of Dundas and Parramatta. He was first elected to Parliament in 1973.*

*Philip has held a number of portfolios since 1996, including Immigration and Multicultural and Indigenous Affairs. He is currently the Attorney-General.*

It has become fashionable lately to propose a charter or bill of rights as a panacea to all sorts of real and perceived ills in our world. However, before we rush into this concept it is worth examining whether the benefits are real or just perceived.

A few such charters exist at the state and territory level, and there is a Bill for one before the Western Australian Parliament. Federal Labor is thinking about a charter.

When people argue about charters of rights, the discussion is often outcomes-based.

Proponents say that charters of rights are good because they protect essential freedoms and ensure that governments do not overreach themselves. (They do not mention that constitutional charters of rights did nothing for enslaved African Americans, or those persecuted in Stalinist Russia.)

Critics of charters of rights often point to a different outcome: one where unelected judges are free to impose personal opinions as law, and where everyone is left guessing about what the law might be.

Certainly there is a lot of evidence to support that second view.

In Canada for example, without direction from the Parliament, judges have decided that all asylum seekers are entitled to an oral hearing, that there should be gay marriage, that persons awaiting trial must be released after eight months on remand, no matter how serious the crimes involved (this position was later departed from), and that tobacco advertising is free speech.

In Britain last year, a suspected car thief climbed onto the roof of a home and threw bricks and tiles at police. Officers provided him with Kentucky

Fried Chicken and cigarettes, to ensure his “human right” to sustenance while being “detained” could not be called into question.

In 2001 the European Court of Human Rights held that certain tenants who were behind in their rental payments could not be evicted because of their “right” to “their” home. In 2006 the House of Lords followed and applied this decision.

I doubt that many Australians would welcome these outcomes.

Of greater concern to me, however, is the principle involved.

In a proper democracy, it should be the people’s elected representatives, not an unelected elite, who make these kinds of social and economic decisions.

Whatever people might think about such matters as immigration, terrorism, gay marriage, the rights of criminals or restraints on “speech,” I am sure that everyone would want decision makers to be accountable.

As Attorney-General I account to the Commonwealth Parliament and through it to the Australian people. I am also an elected representative.

I have no doubt that if there were a national charter of rights, federal judges would approach questions relating to rights in good faith. However, they would become involved – even if unintentionally – in making policy.

Consider, for example, if there were a national right to life. It might be intended to prevent the reintroduction of the death penalty in Australia.

Would it extend though to such matters as abortion or stem cell research?

Would a right to life be interpreted to affect the allocation of food and water, which humans need to live?

Could our food be genetically modified or would it have to be organic? Could our water be recycled?

It would be easy to dismiss some of these questions as an extreme example but before the Teoh case no-one had suggested that the Convention on the Rights of the Child could be used by a drug dealer to fight deportation.

The other significant factor is that these are all questions of policy. They do not belong in a court. They do not require an adjudication of a dispute. Questions of policy require accountable decision making.

In his book, *The Tempting of America*, Professor Bork tells how Washington protestors march from the White House, straight past the Congress, and stop at the Supreme Court to parade and express their views.

The transfer of power is palpable, and while protestors outside the White House or the Congress might manage to worry those inside, protestors outside the Supreme Court are unlikely to achieve anything – the judges have life tenure.

I suspect that those advocating a charter of rights in Australia have a different view to the Australian Government on difficult issues such as responding to terrorism and people smuggling.

I also suspect that they do not have the courage of their convictions to put this to the electorate.

As one activist in the United States was quoted as saying, “we have to look to the courts to create new rights that we won’t be able to get from the legislature.”

Australia is one of the world’s oldest democracies. In particular, the amount of popular participation leading up to Federation was ahead of its time. Even those who did not have the vote back then were often involved informally.

The accountable system of government in Australia today should not be undermined by the transfer of political power to unelected judges.

Charters of rights can certainly lead to undesirable outcomes and unintended consequences. They are flawed in principle too.

*“...In a proper democracy, it should be the people’s elected representatives, not an unelected elite, who make... social and economic decisions...”*



***Loyalty is not something you can allow to become unfashionable.***

**KERRY PACKER**

## **P** SENATOR MARISE PAYNE



*Marise Payne plays an active role in the Senate and is a member of a range of Joint and Senate committees, including the Joint Standing Committee on Foreign Affairs, Defence and Trade, where she is the Chair of the Human Rights Sub-committee and serves on the Defence sub-committee; the Senate Foreign Affairs, Defence and Trade Committee, where she also serves as Chair and she is also Chair of the Trade and Foreign Affairs Government Members' Committee.*

*Away from politics, Marise is a committed fan of the NSW Waratahs and the St George/Illawarra NRL team. She is an enthusiastic supporter of the arts in Australia, spends as much time as she can in the Southern Highlands and cooks and reads crime novels for therapy!*

Since 1996 the Howard Government has continued to respond to the growing and changing defence needs of Australia, changes brought about, in large part, by a vividly different international security landscape. Since 1995-96, defence spending has increased in real terms by 47%. This shames the disappointing 4.5% decrease in real terms during Labor's last ignominious years (1993-94 to 1995-96). The \$51 billion of defence expenditure over the next ten years as outlined in the Defence Capability Plan will continue to focus on the most sophisticated technology, the best trained personnel and a co-ordinated strategy across all of the military services.

New Armidale Class Patrol Boats, Abrams Tanks, Tiger Helicopters and C-17 Heavy Lift Aircraft are all part of the Government's integrated strategy to addressing our defence needs now and into the future. From 2013 the Joint Strike Fighter will be added to the resources available for the network-centric defence of Australia. These purchases are the most suitable for Australia's needs, representing a pro-active response to our security requirements.

For Labor, only one thing about their defence policy is clear: they have nothing of substance to say. Of 17 "policies" listed on their official website following the Budget, not one deals with defence.

Shadow Defence Minister Fitzgibbon has gone missing in action on defence procurement. His statement on March 17 this year that the F-22 Raptor should be in "the mix of consideration" for Australia's air defence is misleading and reveals his lack of attention to detail. It was considered and deemed not to be suitable for Australia's needs. Whatever its air-to-air capabilities, as Defence Minister Brendan Nelson has made clear, the Raptor is not equipped with the capabilities requisite to our defence.

Defence procurement is about long-term strategy supplemented by the flexibility and adaptability to respond to changing circumstances, as evidenced by the Coalition Government's strategic updates to the 2000 White Paper. While Joel Fitzgibbon calls for another White Paper, the Government is responding to new security challenges, while at the same time reforming the overall defence procurement strategy.

It may have escaped Labor's attention, but the process of reform begun in 2000 with the establishment of the Defence Materiel Organisation, continued when it became a prescribed agency in 2005. Fitzgibbon's post Budget media statement "Defence Budget: Big Spend No Reform", ignores the significantly greater efficiency in defence procurement resulting from the Coalition Government's reforms.

This sniping from the sidelines with grandstanding and over-crafted captions has underlined an ignoble Labor tradition: playing short-term politics with serious defence issues.

Kim Beazley, Labor's defence 'guru' for the last two decades said to the Lowy Institute in 2006 that the plan to purchase two large amphibious ships was a "folly." The purchase of vessels with the capability to carry 1000 fully equipped soldiers, up to a dozen helicopters, operating theatres and support Australia's military, humanitarian, peacekeeping and disaster relief requirements a folly? Curiously enough, Fitzgibbon is not certain that "the Government's not on the right track" as regards amphibious vessels. So what is the real Labor position? The silence is deafening.

Defence personnel recruitment and retention is crucial to Australia's defence. The reputation of our fighting men and women is justly respected around the world. There is no better trained or disciplined force. As Australia's economy has grown,

and unemployment has fallen, we acknowledge that it has become more difficult to attract and retain personnel. Not helped, it's worth noting, by Labor cutting two battalions from the Army in 1991. In addition to increasing the personnel budget since coming into office and creating better conditions for our service personnel, the Coalition Government has committed to a \$3.1b ten year plan to improve recruitment and retention in the ADF.

Measures include \$864m to help members and their families buy their own homes – including up to \$470 tax free per month, an expanded cadet/youth program, reform of pay structure for other ranks, funding for marketing and multiple training and professional development initiatives.

Labor's position on defence recruitment is confused. In fact, it depends who you speak to it seems, from their budget responses. Alan Griffin supports the new advertising, Joel Fitzgibbon apparently does not.

In innovative efforts, Defence Force Recruiting has been using an online version of "Battleships" which has to date seen more than 900 people commence an application to join since September last year. The ADF has further campaigns on MSN Messenger along with a text message campaign to encourage participation in the recruiting process. All of which the shadow Minister says we "should" do. In fact, the Government is several long steps ahead on this march and Labor shows its ignorance by announcing programs that already exist.

The Government is acting on recruitment. Labor has vague ideas on recruitment, but offers nothing of substance. On Defence, be it providing the services with the sophisticated hardware and software that they need or recruiting the right type of personnel, Labor has no concrete proposals, no defined plan and no constructive thinking. To Labor, current defence policy is a matter of meaningless point-scoring. To the Coalition, it is of the utmost importance. A matter in which actions speak far louder than words.

*"This sniping from the sidelines with grandstanding and over-crafted captions has underlined an ignoble Labor tradition: playing short-term politics with serious defence issues."*

## AUSTRALIA'S AIR WARFARE DESTROYER

## FACT DIGEST

- On June 20, 2007, the Australian Government approved the Spanish Alvaro de Bazán class design, also known as the F100, as the next generation Air Warfare Destroyer (AWD) for the Royal Australian Navy (RAN)
- At a cost of nearly \$8 billion, the first of these Air Warfare Destroyers will be delivered in late 2014, followed by the second and third ships in early-2016 and mid-2017 respectively
- The Australianised F100 AWD Design will be capable across the full spectrum of joint maritime operations, from area air defence and escort duties, right through to peacetime national tasking and diplomatic missions

# Improvisation has no place in policy

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THE HON TONY SMITH MP



*Elected as the Federal Member for Casey at the 2001 election and appointed as the Parliamentary Secretary to the Prime Minister in January this year, Tony Smith represents one of the new, young faces of the Coalition's Parliamentary team.*

*During his time in Parliament, Tony has been involved in a number of House of Representatives committees including the Standing Committee on Science and Innovation and the Standing Committee on Ageing. He was also Chair of the Joint Standing Committee on Electoral Matters and the Joint Statutory Committee on Public Accounts and Audit.*

*As a former senior adviser to the Treasurer, Peter Costello, Tony was part of the team who worked hard to repair the economic vandalism caused by the previous Labor Government under Hawke and Keating. He remains passionate that sound economic management, tough decisions and sound policy delivers vital human dividends.*

*Having lived in Melbourne's eastern suburbs his whole life, Tony now lives in the heart of his electorate in Chirnside Park with his wife Pam and one-year-old son, Thomas.*

Improvisation is a rare talent. The popularity of the TV show 'Thank God You're Here', is testament to viewers' amazement that the participants can enter a situation, wing it, and still end up saying something witty.

Impressed as we all are, however, by comedians' ability to ad lib, there are some situations in which it is not advisable. When it comes to managing Australia's international relations and \$1 trillion economy, for example, the best way forward is through careful planning and deliberation rather than making it up as you go along.

As we've watched Labor start to unveil its policy programme it is increasingly clear, however, that Kevin Rudd and his team are all improvisation and zero work. Careful consideration seems to have been replaced by the political equivalent of an open mike night at your local comedy club.

It was the release of Labor's workplace relations proposals that gave us the first hint that Kevin Rudd and his team were not putting in the hard work necessary to get the detail right. What was supposed to be the definitive, final document outlining Labor's workplace relations alternative quickly turned into a very rough first draft.

In the eleven days after the release of the policy Labor was forced to make a series of major revisions due to errors or omissions. These ranged from forgetting to check whether their new adjudicating body was in line with the Australian Constitution to omitting a national minimum wage from the provisions altogether. Six times in all Julia Gillard was forced

to go back and rewrite the document. Students all over Australia must be wishing they had a similar system for their Year 12 exams where you could e-mail through additions and revisions that come to mind in the days and weeks after you have left the exam room.

Kind hearts may have chalked this down as a one off mistake, but that it ain't. Just some of Mr Rudd's other recent policy announcements are further proof that Labor are aiming for newspaper headlines and leaving the detail for another day.

First, Kevin Rudd made the astonishing policy statement that a Labor Government would use the Australian Navy to board Japanese whaling vessels in the waters off the Australian Antarctic Territory.

Of course, he never bothered to check whether such military action would have any basis in law (it wouldn't) or what damage this would do to our relations with a superpower like Japan (immense damage). The Coalition has worked tirelessly over the past eleven years to combat whaling. But instead of looking to build on these achievements, Rudd went for the cheap headline.

Kevin Rudd also recently announced a policy on the NSW Central Coast pipeline linking Mardi and Mangrove Creek dams. The fact his team only came up with the policy while in the car on the way there meant they couldn't consult with the local council – who were supposed to be co-funding the project.

For Kevin Rudd and his team these may just be photo opportunities. And in opposition, when you make

a mistake because you've shot your mouth off purely to get some column inches, the only thing that gets damaged is your own credibility. But these are key issues that are vitally important for many Australians and, in government, even small mistakes can have profound consequences for people's jobs, mortgages and public services.

Once you look behind Kevin Rudd to his ALP frontbench team the picture becomes even scarier.

His Shadow Treasurer, Wayne Swan, appears to have taken early advantage of Labor's workplace relations proposals and downed tools, refusing to release a tax policy. After Medicare Gold and the recent workplace relations proposals the whole of the ALP must be hoping that the only thing Julia Gillard ever gets to write again are her memoirs. The new so-called 'fiscally conservative' Rudd can't let Lindsay Tanner take

up the slack because while Wayne Swan might be keeping mum about his tax plans, Tanner has long been on record calling for a 60 per cent tax rate for those middle earners on more than \$75,000 a year. And finally, rather than doing the work himself, Peter Garrett simply borrowed the European Union's greenhouse emissions reduction target for 2050, and then set an additional target for 2020 that would devastate our economy.

So Labor has some serious problems on policy. Rudd is too busy reading briefs entitled 'An Idiot's Guide to Productivity', Swan is on strike and every policy Gillard writes is melting down within days of release. It is increasingly clear what the consequences would be for Australian families and small business if this trio were responsible for their job security, their mortgage rate, the Federal Budget and Australia's \$1.1 trillion economy.

*"...Labor are aiming for newspaper headlines and leaving the detail for another day."*

## INTERGENERATIONAL REPORT

## FACT DIGEST

- By 2047, Australia's population is projected to be 28.5 million. A quarter of the population is projected to be aged 65 and over, nearly double the current proportion
- Currently there are 5 people of working age to support every person aged 65 and over, but by 2047 there will only be 2.4
- Falling fertility rates and rising life expectancies are the main factors contributing to the ageing population
- Men born in 2047 are projected to live an average of 6.9 years longer than those born in 2007, and women an average of 6 years longer

## Inventing the future

by Arthur Sinodinos

The Prime Minister famously once said the times would suit him. I doubt however whether he fully comprehended then how true that saying would turn out to be. The Howard Government has proven to be very much on the right side of history. I mean 'right' in its literal sense rather than as a pun!

The tide of history is running very much in favour of those who seek to expand the domain of liberty and to create a new moral order based on democracy, the rule of law, private enterprise and the enabling state. This may seem an ambitious statement given the conflicts that we are reminded nightly on television and we read about in the newspapers. But that misses the bigger picture of how our world has evolved since World War Two and more particularly since the fall of the Berlin wall.

The twentieth century saw the final victory of the liberal capitalist system over alternative forms of economic organisation. The command and control economy was finally consigned to the dustbin of history. A price system with competition is the best way to allocate scarce resources and provide incentives for efficiency and meeting consumer needs.

It is no coincidence that Australia's strong and sustained growth of recent years has come after an ongoing process of reform going back to the early '80's. The dramatic reduction of poverty in the so-called Third World, particularly in East Asia has followed the adoption of more market-oriented trade and growth strategies. The US economy, which had been written off in the 1980's, recovered as its legendary market flexibility facilitated the shift of resources into innovative new activities technologies, transforming industry structures and boosting productivity growth.

Australia's economic reforms strengthened the economy to withstand the Asian financial crisis, allowing the exchange rate to drive a diversion of Australian exports into new markets while containing any inflationary pressures. More recently, Australia has experienced an almost unprecedented boost to its terms of trade thanks to booming world-wide demand for commodities. Again the inflationary impulse to the economy has been checked by strong fiscal policy, credible (independent) monetary policies and more flexible markets, in particular decentralised industrial relations arrangements.

These arrangements have better aligned wages growth with individual and enterprise productivity, prevented inflationary pattern bargaining across industry sectors and encouraged low industrial disputation. The non-traded sector of the economy is no longer isolated from market forces. The construction industry, for example, is now achieving much better completion times with lower disputation and cost blowouts.

The ongoing process of globalisation means that we are now caught up in a world-wide version of competitive federalism; we must do everything we can to keep growing and attract new business and investment.

That means achieving world's best practice in all the sinews of competitiveness, including the education and training system, economic infrastructure, labour market arrangements, science and innovation, active income support to encourage workforce participation and open markets.

The recent Budget included a comprehensive plan for all sectors of education, including a doubling of resources over time for investment in higher education infrastructure to better compete in the world research



stakes. Welfare to work measures are expanding the available labour supply to meet surging labour demand and restrain cost pressures.

It means no backsliding on reform. We cannot afford to restore outmoded industry protection that imposes costs on other sectors, particularly exports that cannot pass those costs on to their customers. Infrastructure must be provided in accord with market signals. We must fully implement the COAG agenda in transport, energy and the reduction of red tape.

Most important, we cannot afford to turn back the clock on labour market reform, which would undermine productivity and flexibility. We cannot afford to discourage direct relationships between firms and employees in the workplace or reward for individual performance. It would be back to the future for small business if the protection provided against secondary boycotts under the Trade Practices Act was removed. Trade unions need to earn their keep in the marketplace rather than be propped up via legislation.

Reform is never easy; you have to have ‘skin in the game’ as both the Prime Minister and the Treasurer have reminded us. If we do not have the courage to move forward we will most assuredly go backwards. The victims of that retreat will not be big business or the trade union leadership, it will be the myriad of small businesses and all those vulnerable Australians seeking to enter or re-enter the workforce whose opportunities are crimped through no fault of their own.

*Arthur Sinodinos was Chief of Staff to Prime Minister John Howard between October 1997 and December 2006. He is currently a Senior Director with Goldman Sachs JBWere’s investment banking division.*



***There are no great limits to growth because there are no limits of human intelligence, imagination, and wonder.***

**RONALD REAGAN**

# Giving older Australians greater choices

THE HON

**R** CHRISTOPHER PYNE MP



*Before entering Parliament, Christopher Pyne practised as a solicitor and serving on both the Federal Executive and the South Australian State Executive of the Liberal Party. Having written for numerous newspapers across Australia, Christopher also published his own issues journal, "Options," between 1993 and 2001. Christopher enjoys reading Australian, US and European history and is a passionate supporter of the Redlegs (Norwood Football Club).*

*In 1993, at the age of 25, Christopher was elected to the House of Representatives for the South Australian electorate of Sturt. In October 2003 Christopher was appointed Parliamentary Secretary to the Minister for Family and Community Services. He later became Parliamentary Secretary and then Assistant Minister for Health and Ageing. In March 2007 Christopher was appointed Minister for Ageing.*

When it comes to aged care, Labor is living in the past.

For thirteen years the aged care sector was largely neglected by the Hawke/Keating Governments.

Now, predictably, Labor attacks on aged care attempt to mischievously mislead, using outdated figures and demonstrating a complete failure to comprehend how the sector has been revolutionised.

When the Howard Government came to office we recognised that caring for older Australians has to be more than just the provision of residential aged care. It has to include safeguards to ensure the aged care providers meet their obligations, it needs to have provisions in place to protect the vulnerable, and it needs to offer choice.

The focus over the past ten years has been to dramatically boost the funding to the sector and greatly improve the quality of care.

But we have achieved much more than this; we now have a robust, competitive sector providing a wide range of aged care services catering for all Australians.

The intergenerational report has shown that Australia has a population that is growing older and there will be greater pressure than ever on the aged care sector to fulfill the demands of an ageing population. We have been working to address this.

The Howard Government was the first federal government to recognise the need to have a dedicated Minister for Ageing.

When we came into office expenditure on aged care was \$3.1 billion. By 2010-11 that figure will be around \$10 billion – more than a

three-fold increase. Current spending is around \$7.8 billion.

In terms of operational aged care places there has been a 48% increase from about 141,292 places in June 1996 to 208,698 in December 2006.

And by June 2011 there will be around a quarter of a million operational aged care places, and over 100,000 of these will have been added by this Government.

The figures paint a picture of a sector transformed, but the real difference can be seen in the many aged care facilities around Australia where there is a culture of change and improvement. The aged care sector has invested \$5.7 billion into the construction and upgrading of aged care homes since 1998. This is a testament to the confidence they have felt under the Howard Government.

We have been working with the sector to make it even stronger. Receiving quality care is a right, not a privilege. If an aged care provider wishes to receive funding from the Australian taxpayer then they are required to fulfil the obligations and standards that the Government demands.

Our standards and accreditation requirements are some of the highest in the world and the independent Aged Care Standards and Accreditation Agency established by this Government will conduct at least one unannounced spot check in every aged care home in Australia every year.

We have also required unprecedented levels of disclosure and public accountability from providers. Audit reports are made publicly available on a website, giving consumers access to the most recent

information about aged care homes.

Most of the stories in newspapers about aged care facilities under sanctions or failing accreditation come from this source. Providers are realising that the provision of sub-standard care is unacceptable.

In all cases, the Commonwealth provides assistance and closely monitors aged care homes that may not meet accreditation standards, to bring them up to scratch. We have a proactive approach that results in constant improvement.

But the achievement of which I am most proud as Minister for Ageing is that this Government has recognised that the most comfortable aged care bed for older Australians is often their own.

Since coming into office we have increased the number of community care packages, which allow older Australians to remain in their own home with the support and care they need.

Community care has grown from around 4,500 places in 1996 to almost 40,000 places in June 2006.

When Labor was last in Government there was no programme to provide high care support in the home. To date there are around 3427 such places in the form of Extended Aged Care at Home packages.

And now the reason for this seems to be clear. Labor's philosophy is one that supports institutionalisation of the elderly.

Labor believes that older Australians should be moved from their homes to residential aged care facilities, and that there should be no choice in the aged care sector.

Labor's Aged Care spokeswoman Jan McLucas, their Health spokeswoman Nicola Roxon, and even their Leader Kevin Rudd, have all pointed to an alleged reduction in aged care places because they specifically remove Community Care places from the figures.

While the Government understands that most older Australians would prefer to stay in their own home for as long as possible, and consequently funds Community Care places, Nicola Roxon has even acknowledged in Parliament that Labor does not consider Community Care to be at the same level as residential care.

I would argue that a programme allowing older Australians to stay for longer in their own homes is an extremely desirable option.

75% of older Australians agree.

With the election approaching, aged care remains one of the great strengths of the Howard Government. We are focussing on the future, and delivering services that people want.

*“When Labor was last in Government there was no programme to provide high care support in the home.”*



***Politics is the art of the possible.***

**OTTO VON BISMARCK**

## **R** SENATOR FIONA NASH



*After growing up in Sydney, Fiona Nash relocated to country NSW while studying at Mitchell College in Bathurst. So impressed by what life west of the Blue Mountains had to offer, Fiona and her husband David eventually took up residence on a property at Crowther, located near Young in the NSW south west. Having joined the local branch of the National Party in 1991, Fiona has a number of years experience as part of rural and regional communities.*

*Fiona was elected to the Senate in 2004 before taking up her position on July 1, 2005.*

If there was ever a reason for people in rural and regional Australia not to support Labor, Kevin Rudd's broadband proposal is it.

Labor's proposal completely disregards the needs of rural and regional Australia; it is a proposal that is aimed primarily at capital cities, and one that is funded in part by money the Coalition Government has set aside for improving telecommunications services in the bush.

The Fibre-to-the-Node (FTTN) proposal Labor has put forward is simply impractical. It is not feasible to provide a FTTN broadband network to the vast majority of rural and regional Australia for the cost that Labor proposes.

Labor's proposal is made up of \$4.7 billion of taxpayers' money and \$3.3 billion of industry contributions. So let's look at how far the FTTN network will go with \$8 billion.

Telstra has costed their fibre network proposal to 4 million premises in five major capital cities at \$4 billion. It is just not possible to deliver fibre to 98 per cent of Australia's 11 million premises for \$8 billion. At best it will reach about 75 per cent of the population, leaving 25 per cent of Australians stranded and without access to high speed broadband. It would not get anywhere near rural Australia.

To put Labor's costings into perspective, a Fibre-to-the-Home rollout in South Korea cost the South Korean Government \$50 billion. South Korea's land mass is about half the size of Victoria yet Labor thinks \$4.7 billion will do the trick in Australia. You don't have to be Einstein to figure out that amount of money won't cover the entire country.

Labor propose to rip \$2.7 billion from the Future Fund and the \$2 billion from the rural and regional Communications Fund to build their network. So if Labor had their way there would be no money left in the Communications Fund which was secured to ensure the future reliability of telecommunications in the bush. The introduction of legislation by the Coalition preventing the principal of the fund being spent elsewhere will safeguard this money and act as an insurance policy against frivolous spending by Labor in the future.

What is most concerning about Labor's proposal is that both Telstra and a group of nine other telcos – known as the G9 – have each proposed to rollout their fibre networks to the cities and major regional centres without needing any taxpayer funding.

What Labor can't seem to understand is that Government funding should only be spent in areas in which the industry is not prepared to invest. In telecommunications, the areas that require Government funded assistance are rural and remote parts of Australia, to ensure these areas have reliable and fast telecommunication services now and into the future.

To this end, the Coalition Government has committed almost \$1 billion under the Australia Connected initiative to ensure all Australians – regardless of where they live – receive a high speed broadband service at metro comparable prices.

99 per cent of the population will have access to fast affordable broadband at speeds of 12 Mbps by mid 2009 through the rollout of the very best mix of scaleable broadband technologies including WiMAX wireless broadband, ADSL 2+ and new fibre backhaul.

The remaining one per cent of the population will be catered for under the \$162.5 million Australian Broadband Guarantee which offers subsidised broadband services for homes and businesses in difficult to reach areas.

The Coalition Government is engaged in a measured and sensible strategy to equip the nation with reliable telecommunications infrastructure. In contrast, Labor has admitted they are more than willing to rip into the savings designed to protect rural and regional Australia – money which is only available because of the strong economic management of the Coalition – and splash it around the cities in a desperate grab for votes.

Rural and regional Australians will be the big losers under Labor's proposal and they have every right to feel abandoned by the Labor Party who have turned their back on the seven million Australians living outside metropolitan areas.

Since it was first announced, independent companies and analysts have publicly criticised Labor's proposal saying it is light on both detail and accurate costings.

Among those criticising the plan, network infrastructure specialist Pipe Networks. Pipe Networks released a 'conservative' estimate of the cost of building Labor's proposal at upwards of \$15 to \$16 billion – double Labor's estimate.

At the time of the Coalition's Australia Connected announcement, Labor had still not come forward with any detailed costings, coverage maps or technical information about their broadband proposal for the full scrutiny of the Australian public.

All the details on the Coalition's plan are in the public domain, yet in the months following the launch of Labor's proposal, Labor remained tight lipped on the finer details of their plan.

Labor's silence certainly speaks volumes.

*“Rural and regional Australians will be the big losers under Labor's proposal...”*

## BROADBAND

## FACT DIGEST

- Broadband is the term to describe a method of communication that utilises high bandwidth infrastructure to send and receive data at high speeds (equal to or greater than 256Kbps)
- At the end of the March quarter 2007, there were 6.43 million active Internet subscribers in Australia, comprised of 761,000 business and government subscribers and 5.67 million household subscribers
- Non dial-up broadband subscribers represented 67% of total Internet subscribers in Australia at the end of March 2007, compared with 60% at the end of September 2006

### What's Left? How the liberals lost their way

Every once in a while, a significant figure of the Left has an epiphany. After years of defending the indefensible, of coming up with ever more tortured excuses for systems which do not work, he wearies of mental gymnastics and realizes that, for all its Utopian promise and portentous rhetoric, left-wing politics is philosophically incoherent, intellectually exhausted and morally dodgy.

Nick Cohen, an opinion writer for *The Independent* and *The Guardian*, is the latest significant writer of leftish sympathies to have turned on the Left. In *What's Left? How Liberals Lost their Way*, he turns his disillusionment into a superb polemic against the moral cowardice, cultural relativism and betrayal of human rights by leaders of the contemporary Left, in particular at the time of the Iraq War. (The word "liberal" in the subtitle is used in the American sense.)

Yet this book is more than just a polemic – although a very good polemic it is. More importantly, it is a persuasive and sophisticated essay on the history of ideas, which traces the false steps, moral compromises and political blunders which brought the Left to defend the fascist (his word) regime of Saddam Hussein, while abandoning the victims of his genocide.

In his denunciation of the Left's response to the Iraq War, Cohen reminds us of the comparable behaviour of an earlier generation of left wing *bien pensants* in the 1930s, when the likes of Virginia Woolf, Bernard Shaw and the Webbs fell in love with Stalin and proclaimed the Soviet Union as the New Jerusalem. He also reminds us (in a stunning chapter entitled "All the Prussians Love the Russians") of the often-forgotten fact that, from the time of the Nazi-Soviet Pact of August 1939 until Hitler's invasion of Russia in June 1941, large sections of the British Left, already so enamoured of Stalin, went quiet on Hitler as well.

The book's central thesis is that the Left went wrong by subordinating concern for universal human rights, to opposition to the rise of American hegemony after the end of the Cold War. Of course, some elements of the Left were never committed to human rights at all. Cohen's particular contempt is reserved for those

of the middle-class liberal-left who do claim to care about human rights, yet allowed their fashionable anti-Americanism to mutate into sympathy for whichever country was America's opponent, and averted their eyes from the character of the regimes for which they became apologists.

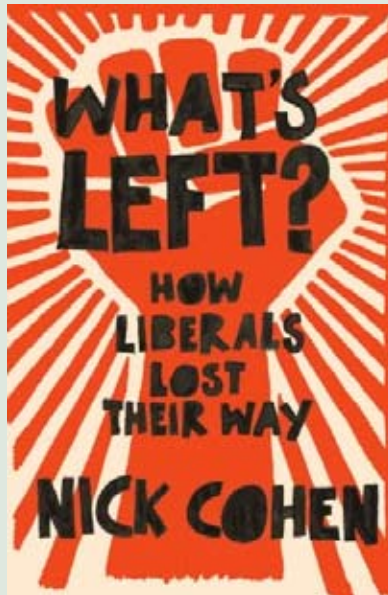
Thus the middle-class Left sank into a miasma of cultural relativism - reluctant to find a bad word to say about a dictator, while annoyed and embarrassed to be reminded of his victims. The spirit of George Orwell moves across these pages, as the author's pen drips with disgust at those who would conveniently forget the Marsh Arabs and the Kurds (just as earlier generations of the Left airbrushed from history the Ukrainian kulaks or the Chinese merchant class) as the necessary price of maintaining the fury of their loathing for President Bush's foreign policy.

Cohen argues that the upside-down world of the modern Left results from the conjunction of two factors: first, that since by the end of the twentieth century hardly anybody still believed in socialism, the Left had run out of ideas; but secondly, that it retained its visceral hostility to the status quo and the political mainstream, and so was temperamentally predisposed to embrace anybody who challenged it:

"In the early twentieth century, intellectuals who called themselves revolutionaries believed that their own proletariats in the advanced countries would rise up as Marx predicted. When the rich world's working class failed to do as it was told, intellectual revolutionaries invested their

hopes in the socialist revolutions in Russia, China and other backward countries. By the Eighties socialism was dying even in the poor world, and there was nothing to do for those who hated the status quo but embrace the programme of the anti-democratic far right, as Foucault had done, or more usually, just refuse to come out against radical reactionary forces on the grounds that any movement that was against the West couldn't be all bad" (p. 108).

Like Orwell, Cohen has a special loathing for the pretentiously cosmopolitan intelligentsia, which abandoned the traditional labour movement's concern for the wellbeing of patriotic working people in its infatuation with culture wars:



"Liberal-left culture [witnessed] the replacement of social democracy with identity politics [as] the Left became more middle-class and more concerned with cultural struggles than economics. The switch in emphasis meant that the white working class was no longer the main object of middle-class reformers' concern. In the twentieth century the workers had been the exploited producers of wealth whose emancipation would herald a glorious future. By the twenty-first its male members were sexist, racist homophones; cultural conservatives suspected of harbouring unsavoury patriotic feelings. They went from being the salt of the earth to the scum of the earth in three generations." (p. 196)

Among the ghastly icons of the Left scythed by Cohen's lacerating pen are Edward Said, Michel Foucault, Eric Hobsbawm, Martin Amis, Vanessa

Redgrave, George Galloway, Ken Livingstone, and particularly – splendidly – Noam Chomsky.

What's Left? is as good an intellectual demolition job as you are ever likely to find. If the point of view echoes Orwell, the fluent, mocking, polemical prose resembles – and is every bit as good as – Mark Steyn. This book will leave you angry and at times astonished; it will feed your contempt as it affirms your beliefs. Nobody who is seriously interested in the battle of ideas should miss it.

*What's left? How liberals lost their way*

By Nick Cohen

Published by Fourth Estate

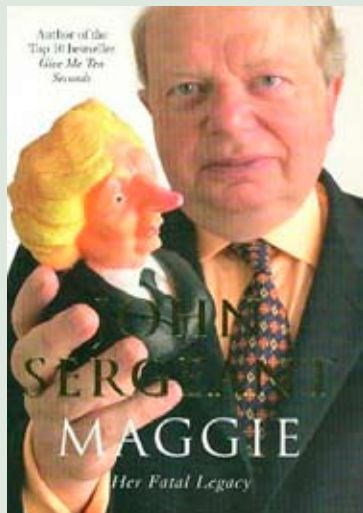
**Review by: Senator The Hon George Brandis SC**

### Maggie: Her Fatal Legacy

There is much to like about the BBC. Its period dramas are without peer, and its sports reportage is first class. But much of the network's news and current affairs coverage has long been tainted by a leftwing bias that seriously warps what is broadcast on both radio and television.

As prosecution exhibit 'A', I present the legal battle waged last year by the BBC to suppress the findings of an internal investigation into its coverage of the Middle East. Exhibit 'B' is a memo that also surfaced last year containing admissions by senior editorial staff that the network was dominated by a leftist, anti-US and anti-Christian ethos.

So when I encountered a book entitled *Maggie* by a BBC journalist, I approached it with some degree of cynicism and trepidation. And the subtitle – *Her Fatal Legacy* – was not particularly confidence inspiring, either. But to my surprise, John Sergeant's book is not a leftie diatribe against someone whom I regard as one of the greatest political figures of our time. Its lack of an overt ideological axe to grind, however, does not mean that the book is without flaw.



Prior to the challenge by Michael Heseltine that ultimately turned Thatcher out of No. 10, John Sergeant was just another one of the Westminster media pack. He was a TV journo with a moderate profile, at best. His claim to fame arrived in November 1990 when Thatcher failed to secure victory on the first round leadership ballot in the Conservative party room.

Thatcher was on an official visit to France at the time. And, standing on the steps of Britain's Paris embassy, Sergeant declared live on air that the PM would not be exiting the building to make a statement of her intentions. Of course, just as the words left Sergeant's mouth, the viewers could see behind him exactly that – Margaret Thatcher in full fettle, marching out to announce her intention to carry on the fight.

But Sergeant didn't seem to mind his gaffe at all. While his prime time faux pas surely caused him temporary embarrassment, its replay on TV screens made him a household name throughout the UK. He later quipped: "it made my career, and it finished hers."

The book is divided into two parts, with her loss of leadership in late 1990 serving as the fulcrum of the work. And Maggie's most ▶



(Continued from page 25)

serious shortcoming rests with the cursory treatment that Sergeant devotes to Thatcher's salient achievements during the early part of her tenure. The British triumph in the Falklands is mentioned only in passing. And the 1984-85 miners' strike receives only a couple of sentences.

Sergeant, of course, would doubtless say that he focussed on Thatcher's fall from grace and its aftermath. But his book is not merely a narrative of the duel between the PM and challenger Michael Heseltine. Sergeant also purports to explain the malaise that has afflicted the Conservative Party since the election of Tony Blair in 1997.

And these later failures can only be contextualised through contrast with Thatcher's early triumphs. For it was these – particularly the vanquishing of radical trade unionism – that laid the foundations for Britain's current economic prosperity. But any serious discussion of the struggles during the 1980s over privatisation and free market policies in the UK must be sought elsewhere.

Sergeant does provide a reasonably balanced account of the internal disharmony within the Conservative Party over the question of European integration. Thatcher was profoundly Eurosceptic, and was in constant conflict with Tory Europhiles like Sir Geoffrey Howe and Nigel Lawson who were pushing for Britain's entry into the European Monetary System.

By the end of the decade, there was rising disquiet

with some elements of the Conservative ranks that Thatcher had begun to lose her touch. In March 1990 she introduced legislation that was designed to reform Britain's convoluted municipal rates system. But while the "Community Charge" had great merit in theory, it proved tremendously unpopular in practice. The "poll tax," as it was derisively known by its detractors, ignited some of the most serious rioting in recent London history and became a political mill stone around the neck of the third-term Thatcher government.

Motivated by a combination of personal ambition and a sense of the PM's weakness, in November 1990 challenger Michael Heseltine made his move. As Sergeant relates, the catalyst was the resignation of pro-integrationist Sir Geoffrey Howe from the Foreign Ministry in protest over Thatcher's Eurosceptic policies. Howe's scathing resignation speech provided cover for Heseltine to issue a leadership challenge in which he won enough support to deny Thatcher the 65% supermajority she needed for outright victory. Despite her feisty declaration on the steps of Britain's Paris embassy, Thatcher ultimately decided not to contest the challenge in a second ballot. She instead focused on ensuring that Michael Heseltine did not succeed her in office by promoting John Major for the Tory leadership. As Heseltine later remarked, "he who wields the dagger doesn't wear the crown."

But Major proved to be a major disappointment to her. Not only did he repeal the poll tax, but he became a supporter of European integration and the Maastricht treaty which was anathema to Margaret Thatcher. Even on the back bench, Thatcher proved to be no shrinking violet. And it was these post-prime ministerial political machinations that caused Chris Patten to accuse her of "destroying the Conservative party." In Patten's view, Thatcher's unrelenting conservatism sowed divisive seeds that tore the Tories apart, consigning them to electoral oblivion for the past decade.

And while there might be an element of truth to Patten's critique, they pale by comparison with Margaret Thatcher's accomplishments as prime minister. Her lustre is undimmed in my eyes and she remains one of my all time favourite British prime ministers. And despite its omissions and imperfections, John Sergeant's *Maggie* provides an interesting take on the political demise of a great conservative leader.

*Maggie: Her Fatal Legacy*

By John Sergeant

Published by Pan Books

**Review by: Senator The Hon Brett Mason**



## Westminster

### Hope but no free kicks for Tories

Good news and bad news for David Cameron in recent months.

Starting with the good news, the Conservatives made significant gains in local council elections throughout England. They picked up over 900 seats in the elections – giving them their highest number of councillors since 1978 – and securing control over 38 local councils in the process. The Labour share of the vote fell to around 27%, the sort of figure that Labour used to record back in the early 1980s under Michael Foot.

Significantly the results also contained the first signs that the Conservatives were starting to make progress in the north of England – a bastion of Labour support for the past decade.

The results in themselves are probably not a good snapshot of levels of support for the main parties. Labour did not field candidates for many local seats, artificially lowering their support. Local issues will also have been a major factor in certain areas.

But this Conservative victory is important for two reasons. First, a good local council presence provides strong

logistical support for the general election campaign. More Conservative councillors means more people organising local campaigns, feeding material to the local media and working the doorsteps.

Second, this result supports the momentum that Cameron has built up. The scale of Conservative gains exceeded most sensible predictions and therefore robbed Cameron's detractors (both inside the Party and out) of ammunition to attack his leadership and strategy.

The bad news for Cameron is that Labour seems to have avoided the temptation to turn Gordon Brown's replacement of Tony Blair into a bloodbath. Brown was elected unopposed as Leader of the Labour Party and, although the contest for Deputy Leader is being hard fought by the six candidates, it has been civilised.

And with Blair giving the teary, emotion-packed performance at his farewell party that we all expected and the punters loved, it seems that Labour are not about to do Cameron the favour of self destructing anytime soon.

## Washington

### Long way to the top

The next Presidential campaign has started earlier than ever before - despite the first real test of voter support for candidates not taking place until January 14 next year.

Unusually, the leading candidates from the two political parties are both from the same state (New York) - Senator Hillary Clinton (Democrat) and former Mayor Rudy Giuliani (Republican).

Usually nominees do not have to campaign heavily in their home states and political pundits are already contemplating what it would mean for both the candidates and for New York if they are the two party nominees.

But even though around 20 candidates have set up exploratory committees or announced their candidacy, the biggest interest in recent weeks has been in the candidates who haven't even nominated yet.

The New York equation got a whole lot more complicated when Giuliani's successor, and current New York Mayor, Michael Bloomberg changed his party registration from Republican to unaffiliated on June 19. Some are interpreting this as the first step by Bloomberg to run as a third party or independent candidate.

Despite not even being a candidate yet, much speculation also surrounds Fred Thompson. A two-term Republican Senator from Tennessee and actor who has been a regular feature in TV's "Law and Order", Thompson is often ranked number two behind Giuliani in national opinion polls and even tops the numbers in some individual states.

These are not the only candidates to be getting a great deal of support before they even nominate – many polls still show sizable levels of support for Al Gore (D) and Newt Gingrich (R).

The other challenge for the front-runner candidates comes from states that vote early in primaries or caucuses and have thrown up many surprise results over the years and allowed some less well-known candidates to build momentum.

Currently in Iowa, the first place to vote, the race is being led by candidates other than the national favourites. The leading Republican is former Massachusetts Governor Mitt Romney and the leading Democrat is former North Carolina Senator John Edwards.

In the other early voting states there are a wide variety of candidates leading the packs – first term Senator Barack Obama leads in South Carolina for the Democrats while Thompson leads for the Republicans and in Nevada Senator John McCain leads for the Republicans.

These states will all hold their selection for both parties in the weeks before the biggest "Super Tuesday" of all time. This one day of voting is likely to determine who the nominee from each party will be.

A lot can happen before Election Day on November 4, 2008.



# The consequences of failure in a time of Big History

P

THE HON GREG HUNT MP



*Greg Hunt was elected to represent the Federal Electorate of Flinders in 2001. He was appointed as Parliamentary Secretary to the Minister for Environment and Heritage in October 2004 and Parliamentary Secretary to the Minister for Foreign Affairs in January 2007.*

*A Fulbright Scholar, Greg has an LLB with First Class Honours from the University of Melbourne and a Master of International Relations from Yale University. Greg is married to Paula and is father of two-year old Poppy.*

The great battles for the future of Iraq, Afghanistan and a non-militant Middle East herald the return of Big History. It is a struggle against Al-Qaeda's vision of a world returned to sickening brutality and the Taliban's absolute subjugation of women.

In such a time, to withdraw from any of these tasks - without first securing stability - will allow totalitarianism to take root, open the door to the return of genocide and will abandon our historic responsibility to the next generation.

In 1989 as the Cold War drew to a close, Francis Fukuyama declared that with the looming defeat of communism we had reached the end of big history, or the battle between competing ideologies. Although Fukuyama was right that liberal democracy had triumphed over communism, he was wrong about the end of Big History. Almost from the day Gorbachev relinquished power and allowed the Soviet Union to dissolve, the next wave of Islamic totalitarianism began to emerge.

This process continued throughout the 1990's as the Taliban strengthened its hold in Afghanistan during the Clinton presidency. In turn, their Al-Qaeda brethren destroyed the US Embassies in Kenya and Tanzania and raised the World Trade Centre. Their affiliates attacked Bali, Madrid and London as Al-Qaeda sought to create a new Islamic caliphate.

Today, we are in the midst of big history again. The three great theatres of Iraq, Afghanistan and the broader Middle-East street are witness to both a physical battle

and a political struggle which will help shape the coming century.

There are then two great consequences of failure in any of these theatres. First, there would be human misery and bloodshed far greater than the current struggle. Second, failure would bring a strategic calamity which will haunt future generations not only in Europe and the Middle East but also in Australia's own region.

It is precisely these consequences which Australia's aspiring leader Kevin Rudd refuses to address. Mr Rudd proposes premature withdrawal based on a domestic political timetable rather than on the condition of progressive security achievements in Iraq and Afghanistan. Yet he refuses to outline the consequences of his actions. He does this precisely because he knows that he is opening the door to bloodshed not seen since the silent plague of death which occurred under Saddam Hussein. And he is opening the door to an emboldened Islamic terrorism within Australia's own region which would feed off a home base if either Iraq or Afghanistan were lost.

Let us turn to the consequences of failure which would come from Mr Rudd's walk out.

The starting point is that before 2003 Hussein's forces systematically slaughtered hundreds of thousands of their own citizens - and were continuing to do so right up to the arrival of Coalition forces.

Saddam's demise meant the end of a creeping plague of death across Iraq as did removal of the Taliban

in Afghanistan. In each case however, the practitioners of genocide have fought back – and in Iraq, Hussein’s legatees have been joined by Al-Qaeda suicide bombers.

If the imperfect but democratic governments of either Iraq or Afghanistan are abandoned - and in turn defeated - then let it be clear that genocide will return. The totalitarian brutality which tore through the Marsh Arabs, through the Kurds in northern Iraq and through the opponents of the Taliban will return. This is not the intended outcome of those who seek to abandon Iraq or Afghanistan – but it is the inevitable outcome. And Mr Rudd knows this but refuses to spell it out.

Beyond the human misery of genocide is the strategic nightmare which would flow from a return by either the Taliban or the Baathists. While Al-Qaeda’s ultimate objective is to create a new totalitarian caliphate, its strategic goal is to drive both international forces and elected governments out of Iraq and Afghanistan. In turn, this would allow each country to be reclaimed as a strategic platform for terror.

The consequences for Australia are clear. The combination of a rogue state in the grip of a totalitarian movement would provide a base for expanded terrorist training and preparation. Chillingly, the threat of nuclear terrorism is real.

It is of such consequence that we can never countenance giving its sponsors a safe base.

There are then two options now facing us. There is the choice to withdraw, irrespective of progress, from these most difficult of theatres. However, no serious analyst doubts this will lead to bloodshed and almost inevitably genocide if we leave before basic stability is established. Alternatively there is the grim and gritty task of securing Baghdad and Kabul, of training forces in each country and of helping each country to emerge from the nightmare of totalitarian rule.

Where that is done, such as the imperfect progress in Basra, then both the people and international forces can share a peace dividend. But where it has not been done, then abandoning the struggling civilians of Iraq or Afghanistan is to condemn them to a return of genocide and to provide Al-Qaeda a strategic platform from which to carry out their dark global mission - with frightening consequences for Australia and our region.

We live again in a time of Big History - a time of struggle when there are no easy answers. But Mr Rudd owes Australians his answer as to whether he truly considers a return to genocide to be an acceptable price to pay for a domestic quick fix.

*“If the imperfect but democratic governments of either Iraq or Afghanistan are abandoned - and in turn defeated - then let it be clear that genocide will return.”*

## IRAQ

## FACT DIGEST

- Iraq’s population at June 2007 was estimated to be 27,499,638
- Approximately 25.9% of the Iraqi population aged over 15 years are considered illiterate
- There are 275 members of the Iraqi Council of Representatives with members serving 4 year terms
- Iraq’s electoral law stipulates that at least 25% of the members of the parliament must be women

# Kev and Wayne's not so super adventure

## THE HON

## PETER DUTTON MP

R



*Prior to entering Parliament, Peter Dutton spent nine years as a police officer in his home state of Queensland, after which he managed the family business. Peter is a firm believer in stronger sentencing options for criminals who commit serious offences and has remained committed to having the outdated double jeopardy principle revised in Queensland.*

*Peter was elected to the Queensland seat of Dickson in November 2001, defeating high profile Labor candidate Cheryl Kernot. After being re-elected with an increased majority in the 2004 Federal Election, Peter was appointed Minister for Workforce Participation. In January 2006, he was appointed to his current portfolio as Minister for Revenue and Assistant Treasurer.*

Australia's superannuation system is one of the great economic and social success stories of recent years. As our population ages, it has become imperative to encourage today's workers to save enough to provide for their retirement, thus easing the pressure on future Federal Budgets.

The Government supports the superannuation system with significant taxation concessions for superannuation savings estimated at around \$17.3 billion per year in 2006-07. Combined with compulsory employer contributions under the Superannuation Guarantee, these incentives have turned a \$252 billion industry in March 1996 into a \$1 trillion giant, one of the largest pools of capital in the world today.

But the Government has not been content to sit back and merely bask in the glory of its past achievements. Instead, conscious of the fact the superannuation system was still too complex and cumbersome, we have recently implemented Simplified Superannuation, the biggest reforms to the taxation of superannuation in Australia's history.

The centrepiece of the reforms involves the abolition of end benefits tax for Australians aged 60 and over who have paid tax on their contribution and earnings, from 1 July 2007. The reforms also halve the assets test taper rate applying to the age pension, introduce streamlined contribution rules, provide individuals with greater flexibility to manage the draw down of their superannuation, and improve the ability of people to transfer their superannuation between funds.

Labor's response to these

reforms has been to downplay their importance relative to the introduction of the compulsory Superannuation Guarantee system and to focus on those individuals with low income who already pay no tax in retirement. In fact, there are even calls from the left wing of the union movement for their wholly-owned subsidiary, the Labor Party, to restore taxation of lump sum superannuation benefits on the basis that the recent Government reforms "greatly aggravate unfairness and waste in the superannuation system."

The man behind the proposal, the AMWU's Doug Cameron, is now positioning himself to enter the Senate, where he is likely to join Victoria's Kim Carr in a caucus of unreconstructed economic illiterates, whose idea of good economic policy is a Five Year Plan.

The Simplified Superannuation reforms build on the successful Government co-contribution scheme under which the Government rewards Australians who save for their retirement by contributing \$1.50 for every \$1 of after-tax superannuation contributions made by employees earning up to \$28,000 up to a maximum co-contribution of \$1500 per year. The co-contribution phases out completely for employees earning more than \$58,000. From 1 July 2007, the self employed will also be eligible for the Government co-contribution.

Over 2.7 million co-contribution payments worth approximately \$2 billion have been made into the superannuation accounts of Australians under the co-contribution scheme to date. Despite Labor

opposing the co-contribution scheme at the last election, the Shadow Treasurer, Wayne Swan, has recently flagged harking back to Paul Keating's unaffordable commitment to matching personal contributions to superannuation at a rate of 3 per cent of salary. This is a policy that Labor's Shadow Superannuation Spokesman, Nick Sherry, has estimated will cost \$6 billion per year.

Superannuation funds are also under a more general and more insidious threat from Labor, as demonstrated by Kevin Rudd's recently announced plan to raid the Future Fund in order to finance Labor's broadband initiative. This time, it's the future retirement income of the military personnel and other Commonwealth employees that's at risk, but the Great Future Fund Robbery is not merely a one-off case of robbing Peter Costello to pay Paul Keating. Past pronouncements by Labor heavyweights suggest they're eyeing the whole of the \$1 trillion superannuation industry as a potential goldmine to finance projects they're too economically incompetent to finance out of the general tax revenue.

Take, for instance, Wayne Swan, who as early as in 1994 was asking: "What could be wrong with suggesting that the pool of national savings that we have accumulated in this country since 1983 should be invested in our national infrastructure?" Age has not wearied Labor's Shadow Treasurer; if anything his appetite for the Australian workers' hard earned retirement

savings seems to have only increased in direct proportion to time spent away from the government benches.

This was Wayne Swan in July last year: "Largely superannuation fund investments have been limited to regulated infrastructure – ports, electricity, water, rail and airport. But we should be looking beyond traditional infrastructure projects. Our super funds could be investing in social infrastructure – schools, hospitals, public housing, aged and child care."

In other words, all the laudable projects that Wayne Swan's state Labor colleagues should be investing their GST windfall in, if they weren't instead blowing it on more and better paid bureaucrats.

In reality, of course, the \$1 trillion in superannuation funds is not sitting idle – it is successfully invested and managed by the finance industry professionals. Any political interference with commercial decisions will distort the investment market by directing funds to the sort of Labor's pet projects that can't attract the funds on their merits. This is a recipe for financial disaster, and has potential to destroy the retirement dreams of millions of ordinary Australians.

It's chilling enough to contemplate what might happen should Labor and their union masters ever get their hands on taxpayers' money – it's truly terrifying to think what they can do to workers' retirement savings.

*“[The Labor Party consists of] a caucus of unreconstructed economic illiterates...”*



*The road to success is dotted with many tempting parking spaces.*

**ANON**

## **R** DR DENNIS JENSEN MP



*Dennis Jensen was born in South Africa and after migrating to Australia in 1982 gained qualifications at RMIT and the University of Melbourne before completing his PhD at Monash University. He worked as an air traffic controller before spending nearly ten years working as a research scientist and defence analyst.*

*Dennis was elected to the Western Australian seat of Tangney at the 2004 Federal election. He is married to Sue and is the proud father of Madeleine, Emily and Liam. In his spare time he enjoys tennis, bodyboarding, skiing, snorkelling and rugby.*

The Labor Party is making a lot of noise about the necessity of developing “clean” methods of generating power. Unfortunately for them, the policies and technologies that they champion are incapable of achieving the lofty emissions goals that they espouse. The reality is that 60% cuts in carbon dioxide emissions by 2050 are unachievable in any realistic economic sense. Labor clearly realise this, which is why they do not have any stated goals in the shorter term. They know that they would be held to account for their failure to even come close to achieving their goals with their energy policy.

Labor have belatedly come to the realisation that coal will be part of the energy future of the nation, mainly because they fear losing votes amongst the coal miners, and they have reluctantly come to support the clean coal initiative that the Howard Government originated. Unfortunately, the Labor leadership appear to have little or no understanding of technological reality, and seem to think that a “widget” can simply be added to existing coal-fired power stations. The reality is that clean coal and sequestration of carbon dioxide are far more complicated than this. It may be possible to scrub the carbon dioxide from the stack, but at a prohibitive cost. For clean coal to be viable requires new plant, with gasification of the coal pre combustion or burning pulverised coal in a pure oxygen environment, in order to reduce the volume of flue gases. Current technology uses pulverised solid coal burning in a normal atmosphere.

They also champion greatly increasing Mandatory Renewable Energy Targets (MRET), without

understanding the implications of this. Renewables, on the face of it, appear extremely attractive as an alternative to fossil fuel power generation. The problem is, for baseload power supply, they don't cut it. At present, South Australia is the wind energy champion in Australia; problematically, the fact that they have so much wind energy is causing grid instability. The simple reality check is, if renewables (excluding hydro) were able to generate baseload power, and do so economically, wouldn't you expect that at least one nation on the face of this earth would have the majority of their electricity generated this way? Renewables have their place as part of the portfolio, but betting on them generating our baseload electricity is grossly irresponsible.

Another popular Great Sustainability Hope is the low emission vehicles. Labor would have half of all Commonwealth vehicles environmentally friendly by 2020. What does this mean? The problem with hybrid vehicles is, their production is more energy intensive than conventional vehicles, and there is also the issue of battery disposal at about the midpoint of the vehicle's life to consider. In reality, vehicles with high efficiency turbo diesel engines are, in lifecycle terms, more environmentally friendly (and cheaper) than hybrids. Another case of scientific fact versus Labor Party fantasy. As I have stated before, hydrogen is the ideal fuel source, but Labor's plan would not allow hydrogen to be generated in sufficient quantities, due to their inability to recognise the amount of electricity required to produce the hydrogen.

In reality, a significant hydrogen vehicle fleet would require nuclear

energy to generate adequate amounts of hydrogen in an environmentally friendly manner. Labor has no real plans for generating hydrogen, so talking of hydrogen fleets is just more empty rhetoric. Furthermore, Labor's position on nuclear energy is utterly contradictory. They say that anthropogenic global warming is the defining issue of our generation – but obviously not important enough to consider the safest, most environmentally friendly method of generating baseload power, nuclear power.

Let's suspend disbelief and give Labor the benefit of the doubt. Perhaps they really do think that nuclear energy is too dangerous to contemplate. In that case, why are they happy to export the fuel for this incredibly dangerous method of generating power? If they were consistent, they would not export the fuel at all. This is yet another classic example of Labor Party hypocrisy; either they are simply playing politics with nuclear power, or they are not serious about anthropogenic climate change. The Labor Party might try sophistry, and say it is about economics,

and that the economics of nuclear don't add up. If that is the case, why not legislate to allow nuclear power – no utility would use it!

Their promise to sign Kyoto is yet another example of rhetoric over policy. The fact is, signing Kyoto may have a feel good element, but examination of the reality is that almost no one who has signed up to Kyoto is anywhere near achieving the goals set.

The simple fact is that it is technology that will lead to effective, clean energy generation technologies. This will not come about as a result of wishware, scientifically irresponsible propaganda and whimsical targets. It will come about as a result of technology driven advances, within a framework such as that of the AP6 initiative, not through meaningless treaties such as Kyoto, which might be totemic and emblematic of Labor's view on reducing emissions, but the pointlessness and impotence of Kyoto actually says more about the effectiveness (or rather, lack thereof) of Labor's energy "policies."

*“Renewables have their place as part of the portfolio, but betting on them generating our baseload electricity is grossly irresponsible.”*

## Electoral Round-up



21 April - Nigeria - Amidst claims of vote rigging and corruption, Nigeria's People Democratic Party Presidential candidate Umaru Musa Yar'Adua was declared the winner of the country's general election. In receiving 70% of the votes, Yar'Adua defeated his closest rival, All Nigeria Peoples Party candidate Muhammadu Buhari.



6 May - France - The 2007 presidential election was held to elect the successor of incumbent Jacques Chirac to serve a five-year term. Nicolas Sarkozy of the centre-right party, Union for a Popular Movement was declared the winner, defeating the Socialist Party candidate, Ségolène Royal. Mr Sarkozy has pledged to push through his reform program, promising to wage war on unemployment and give a boost to French morale.



9 May - East Timor - Independent candidate José Ramos Horta defeated Revolutionary Front for an Independent East Timor (FRETILIN) leader Francisco Guterres in the Presidential runoff election. In an election that foreign observers described as mainly well-administered and peaceful, Ramos Horta won the second round with 69% of the vote.



24 May - Republic of Ireland – Prime Minister Bertie Ahern, of the centrist Fianna Fáil party, is looking to another five years in charge of Europe's most economically dynamic country after staging a remarkable comeback in the 2007 Irish general election. On 14 June, Fianna Fáil, the Green Party and the Progressive Democrats formed a coalition government.

# Adjournment



## SIR ROBERT MENZIES

Sir Robert Menzies was born in Jeparit, a small town in the Wimmera region of western Victoria, on December 20, 1894.

Before entering federal politics in 1934, Menzies was one of Melbourne's leading lawyers and climbed the ranks of Victorian politics by becoming Deputy Premier after only four years in parliament representing the Nationalist Party of Australia.

Following his first term as Prime Minister, Menzies went onto to create a new anti-Labor party to replace the moribund United Australia Party. This was the Liberal Party, which was launched in early 1945 with Menzies as leader.

Menzies was to serve as Prime Minister for a total of 18 years, 5 months and 12 days, by far the longest term of any Australian Prime Minister, and during his second term he dominated Australian politics as no-one else has ever done.

The following extract was taken from Robert Menzies' radio broadcast on 24 July 1942, which was reprinted in *The Forgotten People*, Sydney: Angus & Robertson 1943.

It is notorious that many electors believe that the function of their member of Parliament is to ascertain, if he can, what a majority of his electors desire, and then plump for it in Parliament. A more stupid and humiliating conception of the function of a member of Parliament can hardly be imagined. If you want mere phonograph records or sounding boards in Parliament, then phonograph records or sounding boards you shall get - and statesmanship will die; and democracy will die with it!

The true function of a member of Parliament is to serve his electors not only with his vote but with his intelligence. If some problem arises in Parliament about which he has knowledge and to which he has devoted his best thought, how absurd it would be - indeed how dangerous it would be - if he should allow his considered conclusion to be upset by a temporary clamour by thousands of people, most of whom in the nature of things could not have his sources of information, and have probably in any event not thought the problem out at all.

Nothing could be worse for democracy than to adopt the practice of permitting knowledge to be overthrown by ignorance. If I have honestly and thoughtfully arrived at a certain conclusion on a public question and my electors disagree with me, my first duty is to endeavour to persuade them that my view is right. If I fail in this, my second duty will be to accept the electoral consequences and not to run away from them. Fear can never be a proper or useful ingredient in those mutual relations of respect and good-will which ought to exist between the elector and the elected.

And so, as we think about it we shall find more and more how disfiguring a thing fear is in our own political and social life.

"Men fear the unknown as children fear the dark." It is that kind of fear which too often restrains experiment and keeps us from innovations which might benefit us enormously. It is the fear of knowledge which prevents so many of us from really using our minds, and which makes so many of us ready slaves to cheap and silly slogans and catch-cries. It is the fear of life and its problems which makes so many of us yearn for nothing so much as some safe billet from which risk and its twin brother enterprise are alike abolished.

In time of war it is the absence of fear in individuals and groups which gives dignity and strength to the nation's bearing in the midst of difficulties. It is the presence of fear and the yielding to it which produces hysteria and greed and burden-dodging.





