

KiS: Government for the Silent Majority

This report is about government in Australia.

In particular, the report is about the abject failings of present and past Australian governments, and what could be done to overcome these failings.

Whilst the details in the report are largely about Australia, most of the issues described in the report apply similarly to most democratic governments throughout the world.

The report is also about management because that is what governments are meant to do: manage their country in the best interests of their 'shareholders' – that is, their countries' citizens.

Unfortunately, most governments fail miserably to apply normal sound and proven management principles and methods. That failing certainly applies in trumps to the Australian government.

Most people just whinge about government failings and propose a few specific changes that would benefit themselves. We live in an increasingly 'gimme' society because governments buy voters support by giving away more and more tax payers' money – a vicious downward spiral.

The problem with incremental improvements is they only work well if the basic organisational framework is sound, yet the governmental framework in Australia is far from sound.

The complexity of government and the depth of related problems are too entrenched for incremental improvements to be effective.

A *keep-it-simple* policy could provide the best solution.

This report, KiS: Government for the Silent Majority, presents a completely different approach to democratic government, starting with a 'clean slate' and applying best management practices.

The reader is invited to assess the many issues raised, then consider whether the solutions proposed would result in better governance of Australia – that is, would the reader vote for a candidate who they believe would implement those solutions.

If the reader does not agree with any part of the proposed solution, he or she is invited to propose a better solution. If people only complain, they deserve the result: more of the same.

4 July 2011

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1. Summary

Surveys, 'pub-talk' and media comment indicate that most Australians are very dissatisfied with their Government. Few voters believe that current political parties can fix the plethora of problems which arise from the government itself – and politicians tend to exacerbate problems rather than fixing them.

Voter frustrations include: excessive governmental intrusion and bureaucracy; financial regulator failures; abysmal government management of risk, building, health, water, energy and immigration; ineffective criminal justice; 'carbon pollution' taxes and waste; the 'green mafia'; variability of freedom of speech; covert influence from some NGOs; inadequate employment laws; and the regularity of politicians' breaking of promises.

No democratic government in the world is widely viewed as very successful, so there is no ideal model to copy. The complexity of government and the depth of related problems are too entrenched for incremental improvements to be effective. A *keep-it-simple* policy could provide the best solution. KiS is a completely different way of democratic government, starting with a 'clean slate' and applying the best management practices. Key components of a KiS government would include:

- Recognition that competent and diligent governmental staff are often thwarted by excessive complexity and by covert agendas of power brokers and ideologues.
- Government structure comprises two levels: national and local. States have figurehead roles only. Local governments have wider roles including health and education boards.
- House of Representatives and Senate member numbers are reduced to a total of 100. Members demonstrate excellent competencies and comply with fiduciary duties of care.
- All taxes are replaced by 'flat rate service fees' introduced over 3 years: 20% on individual incomes and 10% on business expenditure. Compliance is simple.
- Businesses such as mining companies using natural resources pay economic rents which enable fair profits and encourage investment and growth, including overseas investment.
- Recreational drugs are not illegal. Excise duties are charged on alcohol, tobacco and recreational drugs at rates that cover all related costs with rigorous auditing and penalties.
- Government processes, systems and regulations are reviewed using 'clean slate' methods that optimise efficiency and effectiveness, and, if necessary, are modified or replaced.
- All government departments have audited plans that conform to guidelines reflecting best practices, and which include preparation for such contingencies as catastrophic weather.
- The criminal justice system focuses first on full compensation of all victims' losses and all related judicial costs, then on the rehabilitation of criminals. When appropriate and possible, custodial sentences consist of home detention – prison is a last resort.
- Government asset ownership is retained only if no better alternative be available.
- Commercial and financial oversight is strengthened to ensure that GFC-type greed and excesses are not repeated. Net government debt is eliminated as soon as practical.
- All government funding relating to 'carbon pollution' ceases. Related actions are reviewed after rigorous assessments and recommendations from a Royal Commission.
- Immigrant assessments are completed and decisions made within three months. Immigrants sign contracts agreeing to abide by Australian law and to support Australian culture and values. Major transgressors are evicted from Australia.
- A Guardian group investigates concerns about covert influence and behaviour.
- Implementation is gradual over several years; each step builds on the last success.

KiS solutions focus on the concerns and wishes of the ‘silent majority’ of voters — the antithesis of political power-brokers, ideologues and rent-seekers. KiS proposals are not intended to be definitive; rather they provide a basis for improvements and further reforms.

Are the ‘silent majority’ of voters so fed up with existing governments that they would vote for radical change such as KiS? Would sufficient candidates with the requisite competence and credibility stand for KiS and promote it, or would an existing political party adopt KiS policies if it became clear a growing movement of voters demand change? Failure to implement radical change soon will result in Australian politics and government descending even further into complexity, intrusion and waste with little hope of real reform.

2. Introduction

The objective of this Report is to find out whether sufficient Australian voters would support a new form of government that matches what most people appear to want: credible solutions to the many problems recent governments have failed to solve.

Unfortunately, most people do not always say exactly what they mean, and often change their minds or act contradictorily. Many people, for example, would complain about some government action, and then vote for the same government at the next election. Polls are not reliable because the results depend on many factors such as the phrasing and order of questions, the last subject the person read about or saw on TV, and much more. A range of comprehensive surveys is required to ascertain whether the new form of government proposed in this report would be widely supported if fully explained.

The report starts by describing a long list of issues, many interconnected, which demonstrate major shortfalls of Australian governments, past and present, together with descriptions of some deeper issues which affect Australia. The report then describes a proposal for an alternative government which would deliver solutions to these issues. The proposed new approach to government is opposite to the current overly complex government but instead applies best management practices on the basis that government essentially consists of managing a very large organisation – Australia.

The term ‘government’ is used in this report in the context of the Australian Federal Government, State and Territory Governments and all Local Governments (City and Regional Councils).

The term ‘democracy’ is used to mean: the political orientation of those who favour government by the people or by their elected representatives; also a political system in which the supreme power lies with citizens who elect people to represent them.

Only an extreme masochist would think that doing nothing is a valid option

An important point to note: the whole subject of government is so massive that no one could be an expert on all aspects. To document the whole range of issues and opportunities for the Australian government would keep a large team of writers very busy for many years. This report certainly does not claim it is the definitive answer to Australia’s government. However, when government is spiralling downhill, something dramatic needs to be done, for minor tweaks would only slow the descent. This report presents a dramatic reversal, or more a replacement, based on proven management principles which are applied generally to all successful corporations around the world. If the reader does not agree with some of the detailed proposals or even the overall thrust, the question should be asked: what is better?

To begin, ask yourself who is happy with Government in Australia?

Try asking a range of friends, relations and business colleagues. Try reading newspapers, listening to radio talk-back sessions, and watching TV news and documentaries. Check a range of surveys and polls. The most likely result would be predominantly negative views. Who thinks our current political parties would fix the plethora of problems? Asking this question produces answers similar to the first question, just ruder.

How can that be, given we live in a democracy and elect our representatives to democratic parliaments? If Australian governments are not doing what we want them to, surely it is our fault? If only it were that simple.

Winston Churchill stated: 'It has been said that democracy is the worst form of Government except for all the others that have been tried'.

Pick any significant problem that is not of a personal nature and investigate the source of the problem. Ask the question 'why' several times. Most problems can be quickly traced back to the government; in particular, to bad government policy, decisions or management. For instance, consider the failures of the Building the Education Revolution (BER) program, roof insulation, the Queensland Payroll fiasco and boatloads of refugees. Consider regular reports of ambulances queuing outside hospitals waiting to get their patients into emergency departments.

2.01 There are glimmers of hope

A review of recent history reveals that the major political parties simply do not appear to be capable of resolving most major or minor problems. Labor seems most unlikely to make a radical change in the government direction. The Greens have a totally different agenda unsuited to democratic government. The Liberal and National coalition could be more inclined to change course if sufficient voters indicate support.

Some independent or maverick members of Parliament or Senate have good ideas and appear to be influencing the major parties, but independents tend to be influential only when the Parliament has no overall majority or only a slight majority. Some good suggestions of maverick party members may be reported by the media, but ignored by the government.

In the past, new political parties have been started by disaffected members of existing parties. Such people have usually been ‘political animals’ by nature and disinclined to promote major change or to consider the possibility of tackling problems in a new way, even when the previous way clearly failed.

Overall, there seems little chance that an existing party or existing political thinking would result in government that resolves the major problems which concern voters. This is demonstrated regularly in polls which show that politicians feature among the least trusted of professions. That is appalling, and must be very upsetting for those politicians who are doing their best to make real improvements for their constituents.

A useful lesson from New Zealand is how the financial chaos created under the leadership of the National Prime Minister Robert Muldoon was tackled. New Zealand was technically bankrupt when the succeeding Prime Minister, David Lange, was elected. Extraordinarily for a Labour government, Lange and two strong and pragmatic henchmen, Richard Prebble and Roger Douglas, set about transforming the country. Their approaches and dramatic successes were hailed around the world. One of their fundamental approaches was to restructure all the main areas that were failing. A *Fiscal Responsibility Act* measured and directed NZ like a large business, debilitating farm subsidies were removed and many Government Departments were restructured starting with a ‘clean slate’. The results were dramatic and relatively rapid. Very sadly, Lange’s personal misfortunes led to his reverting to his socialist past, a fall-out with his henchmen (just before a flat tax-rate was due to be implemented) and, subsequently, to some of the transitions stalling. Other parts of the transition, however, did continue, such as the establishment of several State Owned Enterprises which operated within commercial regimes.

Thank goodness for the Internet

Before launching into the main report, a special word of acknowledgement to Wikipedia and a huge number of articles, papers, opinion pieces and book extracts made available by that wonderful and transformational medium, the Internet, by way of search engines such as Google as well as online newspapers and weblogs. As with all information used in this report, a healthy degree of scepticism has been applied together with double checks for validity and bias. For instance, Wikipedia fired its long-time climate editor William Connolly when it was demonstrated that he had consistently culled all content that did not support his extreme global-warming views. *The Economist*, *Time* and several Australian media are regularly accused of producing articles portraying their belief in left-wing politics and other ideological views. Snake-oil salesmen abound, as do those who insist on pushing their own discredited beliefs and ideologies despite evidence to the contrary.

Initially, footnotes were included in this report, but it quickly became apparent that far too many would be needed, nearly doubling the size of the report. Many figures and information items had multiple references. (A few slight changes to punctuation and orthography – such as altering US spelling to British – have been applied.) This is not a scientific report, and in any case if doubts are raised on some point it would probably be more convincing for readers to carry out checks themselves using their own resources – but don't forget the snake oil.

2.02 Check the roadmap first

This report is far from complete. At least 20,000 pages would be needed to cover just the main factors and proposals relating to governing Australia optimally. This report is a mere 200 pages. However, within these pages is sufficient information to form a view on the key issues raised, the framework proposed, and some samples of proposed solutions.

The report describes politics and government, the most interconnected and convoluted subject with a history of thousands of years. At times it is not clear why, or even whether, some aspects are connected or fit into a 'grand design'; rather, it all 'just grew like Topsy' over many centuries.

To make sense of this report, it is recommended that you start with a 'roadmap' in mind.

1. The *summary* presents the whole picture in brief, enabling the reader to 'see the wood for the trees'. To see the 'wood' it is essential to rise above the plethora of issues and recognise that the one common denominator is their complexity and interconnectedness. Incremental solutions would get bogged down. The only way out of the current mess is to start with a 'clean slate' and remove all excess complexity.
2. The many *issues* can be digested without trying to connect them. Some readers may bristle when they read points that don't accord with their understanding of the world as they were taught or read, saw or heard in various media. But keep an open mind – there are always two or more sides to a story. Most things in life are not exactly as they seem, particularly when 'hidden persuaders' have been at work.
3. The *summary of issues* starts to assemble the pieces of the jigsaw. Read them together and it is clear the whole scenario is extremely complex and interwoven – but very real and very worrying.
4. Next the report shifts into solution-mode. Stand well back mentally and follow the steps that build to a *grand vision for Australia*.
5. A fundamental concept of this report is that *Australia is a single very large organisation*, similar to a huge corporation in which every Australian is a shareholder, or 'stakeholder'. The government exists not to control stakeholders, but to lead and serve them. Also similar to any excellent and successful corporation, the best and proven governance, or management, is essential.
6. *Section 7* explains the essence of good modern management – '*Management 101*' – and how that can be applied to managing Australia. A brief set of proven management principles is proposed as guidelines for successful government.
7. Then a set of *possible solutions* is described: KiS – government for the silent majority. The report does not suggest these are the only solutions or even the best solutions; instead it notes there could be many other solutions that match the management principles.
8. A challenge is issued: if the reader dislike one or more of the solutions proposed, *what would be a better solution that complies with the KiS vision and management principles?* Should the solution not comply with the KiS vision and management principles, it is likely to be risky and probably would not fit in with the numerous other proposed solutions.
9. Next, the report presents a wide-ranging discussion on *implementing radical change* such as the KiS government.
10. Finally, the report reminds the readers that KiS solutions *focus on concerns of the majority of Australians*; that is the 'silent majority' of voters, the antithesis of political power brokers, ideologues and rent-seekers. The ultimate questions are:

- are the ‘silent majority’ of voters so fed up with existing governments they would vote for radical change?
- would sufficient candidates with the requisite competence and credibility stand for and promote KiS?
- would an existing political party adopt KiS policies if it became clear that an upsurge of voters demand radical change such as KiS?

3. Issues influencing KiS government

This section describes nineteen issues which influence the basis and specific plans proposed for KiS government. Several of the issues are interlinked so that it is difficult to separate them completely or avoid overlap. Some of the issues (such as the recent, disastrous floods in several Australian states, together with the resultant debate about causes) are very topical and are developing daily. By the time this report is read, some information will be out of date.

3.01 Democracy evolution

The history of democracy is long and complex and there is no current system of democracy that is universally viewed as excellent. Sadly, most countries with democratic systems are far from perfect. Crime, corruption, excessive disagreement, vote-rigging and voter dissatisfaction are typical. One consolation is that most, if not all, countries that do not have more-or-less democratic governments are even worse: but that is hardly a strong endorsement for democracy.

Some consider that Singapore under Lee Kuan Yew was the most successful country in history, despite its being what is fairly described as a 'benevolent dictatorship' with restrictions on freedom. Singapore continues to be a very successful country by most measures, although there are concerns about media freedom, society being overly protective of individuals and a somewhat contrived democracy. The problem in terms of imitating this model is the demand for purer forms of democracy and an absence of Lee Kuan Yew clones.

A colleague expressed his frustration saying:

If you have governments elected mostly by members of society who have little sense of responsibility and no respect for the politicians they're voting for, then you'll get what you deserve: a group masquerading as a Government who couldn't manage their way out of a paper bag. Now, most of the legislation is dysfunctional and panders to sectional interests. Getting re-elected is their first priority. The Greeks who invented democracy gave the vote to male landowners, thereby encouraging social responsibility and strengthening ties with families and territory. Aristotle described the concept of the 'good man' who engaged in affairs of the home, the politics and the military – a contributor to society. The global financial mess has yet to have its real crisis. We are in this mess because governments can't refrain from giving goodies to the masses to curry favour – recall Bill Clinton driving the repeal of the Glass-Steagall Act and related actions that created the sub-prime mortgage fiasco. Sound governance has been lost in a drive to get as many votes as possible. Now, as George W Bush and Barack Obama have proven, 'you can fool most of the people for most of the time'. But that doesn't mean they are happy about it.

Given the current system of voting, elections and (relative) freedom of the press to report on events and politicians, surely today's government representatives could not be accused of not representing their constituents? If voters are mostly dissatisfied with what their government is doing, something must be very wrong.

Listening to speeches and interjections in parliament is often a dismaying experience. The level of debate reflects badly on what voters expect to hear: sound, reasoned arguments based on evidence available to voters and presented politely. More common is invective, point-scoring and attempts to hit the 24-hour

news cycle. Debates by school children are typically more professional. Some would say that parliamentary debates are typical of normal people, but, even so, reasonable voters expect much more of their representatives.

If there were an easy answer to what is wrong, it would be well recognised and a range of solutions would be put forward by deeper thinkers. Some of the solutions would be presented in the media. Instead we read, hear and see a continuing onslaught denigrating promises, actions and short-term fixes. There is an absence of solutions which demonstrate an understanding of the basis of most problems, let alone proposals which present credible long-term solutions.

3.02 The Modern Nation-State

Nation-states have existed for millennia in various forms. Many nation-states have evolved as governments gradually adopt policies that have their genesis in Karl Marx's *Communist Manifesto* of 1848. A wild exaggeration? Try comparing typical democratic government approaches with Marx's proposals for property tax, progressive taxation, inheritance tax, central control of credit, free education in public schools thus indoctrinating children – think Al Gore's 'documentary' and the 'stolen generation'–, state ownership of communications and transport.

As 'progressive' (often in reality regressive, illiberal, anti-libertarian) politicians found they could curry favour and win votes by giving more away, they found they needed to increase taxes to pay for all the 'free' services and pork-barrelling. So a greater range of taxes, even more progressive income tax and more controls were introduced – let the rich pay! Now Australia, which was debt-free only a few years ago, has enormous debts owing to Governments' incompetence in giving away money, spending money on wasteful schemes and subsidies, and overly generous support of financial institutions. Some government additional spending was necessary to reduce the negative effects of the Global Financial Crisis (GFC), but far too much was spent for too long with far too much wasted.

Communism collapsed between 1987-89 because Communism is fatally flawed. People accept a degree of control if the benefits are greater than the costs – costs in terms of money, freedom, services and enjoyment of life. Otherwise, at some point, people start defrauding the system, rates of work slow, people hide their income, shift away if they can or just sulk and drink to excess. Government then has to increase payments, revenues from taxation dwindle and the country enters a vicious cycle culminating in collapse, a revolution or a radical change of government.

In Australia, John Howard's government made many major improvements, particularly financial. He also got many things wrong: for example he went too far with Work Choices (though much of the media, dominated by left-wing ideology, ignored Work Choices' positives and distorted some relatively minor negatives), he permitted too much pork-barrelling, and he arrogantly failed to arrange for his successor. In 2008 John Howard failed to convince enough voters to get re-elected (he even lost his own seat). He might have uttered those infamous words attributed to Louis XV's mistress, Mme Pompadour: '*Après nous, le déluge.*'

The USA has the largest economy in the world and is the leading military power. Yet several media such as CNN, the *New York Times* and *The Economist* have asked recently whether government in the United States is broken and needs fixing. Examples raised include: with the exception of 2008, the US has one of the lowest voter participation rates in the modern world, lower than India; the US now has a debt of about \$66 trillion, five times the GDP and double the national wealth; real economic growth in the US has decreased for five decades in a row; fewer people are covered by health-care than in any industrial country (the World Health Organization ranks the US 37th in health-care delivery); only half of the children in large cities graduate high school and half of those who graduate are functionally illiterate; China, a single party non-democracy, is expected soon to replace the US in the production of scientific and technical knowledge, and is now the second largest economy in the world (having recently overtaken Japan).

3.03 Cargo Cult Mentality

The first recorded case of 'cargo cult' was in Fiji in 1885. Native people believed 'white man' was delivering goods to them from heaven, or thereabouts. Cargo cult belief became quite common in several Pacific islands.

A strange but fairly consistent idea seems to exist in many people's minds now with regard to government goods, services and money. If it came from the government, it is 'free'. Never mind the fact that it is all paid by taxes, often with excessive 'middle-man' costs, as well as a range of market distortions. In one sense this 'free' view is quite rational. No individual pays any more or less tax whether he receives these benefits or not. To the individual there is no marginal cost either way, so it seems to be free.

Machiavelli got it right

Niccolò Machiavelli wrote in his perceptive book *The Prince* (published in Italy in 1532): 'There is nothing so self-defeating as generosity: in the act of practising it, you lose the ability to do so, and you become poor and despised or, seeking to escape poverty, rapacious and hated.'

There are similar reasons for many people wanting government to own assets: 'We already own them, so why sell them to companies who would then charge us for what we used to get free or at low prices?' A basic understanding of economics would see through this idea, including the fact that governments are mostly appalling managers, so the service or product would invariably cost more overall under government ownership and management than under private ownership and management.

An allied issue is unions which demand that government own and manage assets and related services. This relates more to unions' ability to extract more pay and better conditions from governments than from private businesses. This is a key issue in many US states which are, in effect, bankrupt, and attempting to cut their budgets – to the consternation and strong objections of public service unions who have negotiated far better rates and conditions than are available in the private sector.

A colleague summed up the broad problem resulting from a cargo cult mentality:

My main concern is about the impact of globalisation on a country's rights and the impact of socialist policies that require ever larger and larger government. The government makes up an ever increasing portion of our economy. At what point do we say no to that? We lurch towards crisis at an increasing pace because too many people have realised they can use the Government to get more while contributing less and less. We live in an undisciplined and entitlement focused society. History has shown the only way out is an autocratic takeover in order to fix the problem. So is democracy relevant for the future? Unless it is heavily modified, democracy will not be the way of the future, because each and every significant pressure group can take the government hostage. In a multicultural society every group exerts sufficient pressure to get their way with a profligate, overspending government. Governments do little to fight sectoral claims on the public purse because they know they will be long gone before their overspending breaks the bank, and buying votes transcends found fiscal decisions.

3.04 Immigration

The history of immigration in Australia dominates the history of Australia.

It is important to have a sound understanding of immigration history in order to make sense of the current immigration mess and to understand how it affects many other aspects discussed in this list of key issues.

Appendix A: Australian Immigration History explains the main events in Australia's immigration.

Immigration was, for most of Australia's past, used as the main basis for economic development. This development became increasingly influenced by a range of concerns and fears such as dominance of Asians, 'multi-culturalism' and population targets.

Unfortunately, immigration has become mired in political opportunism. The previous Prime Minister, John Howard, brought in policies that controlled the immigration process and sent strong signals that prospective immigrants attempting to bypass the official channels would be most unlikely to be accepted. This message resulted in an almost complete cessation of 'boat people' – people paying large sums for passages on small, often unseaworthy, boats arriving with the expectation they could stay in Australia.

The Labor government under Prime Minister Kevin Rudd, later usurped by Julia Gillard, expressed the view that Howard's policy lacked compassion. Subsequent Government actions have been confused: promises have been broken; many more illegal 'boat people' have arrived in Australian territories, and dozens drowned; and there have been riots in immigrant detention camps.

Overtures made by Julia Gillard to overseas countries such as Malaysia to assist have been met by polite refusals or delays, to the intense dismay of foreign correspondents who expect far more professional approaches from their politicians.

The consequence of current policies is a disgraceful, highly embarrassing demonstration of Australian government ineptitude, effecting a shocking loss of human life and perhaps constituting 'the straw that breaks the camel's back' for voters.

3.05 Freedom of Speech

'Freedom of speech' is the freedom to speak freely without censorship or limitation or both. The synonymous term 'freedom of expression' is sometimes used to indicate not only freedom of verbal speech but any act of seeking, receiving and imparting information or ideas, regardless of the medium used. In practice, the right to freedom of speech is not absolute in any country and the right is commonly subject to limitations, such as on 'hate speech'.

Freedom of speech has a long and complex history. Key points include:

- Ancient Athens' democratic ideology of free speech emerged in the 5th century BC.
- 1450, Gutenberg's first printing press transformed concepts of expression.
- 1501, Pope Alexander VI, amongst many others, issued a decree against the unlicensed printing of books.
- 1906, Hall's biographical novel attributes to Voltaire the famous saying 'I disapprove of what you say, but I will defend to the death your right to say it'.
- 2002 on, several governments attempt to regulate the internet.
- 2003, World Summit on the Information Society Declaration of Principles Declaration of Principles: everyone has the right to freedom of opinion and expression.
- 2007, the European Union's Framework decision on Racism and Xenophobia: denying or trivialising 'crimes of genocide' should be punishable in all EU Member States.
- 2009, World Bank research indicates freedom of speech and the process of accountability that follows it have a significant impact on the quality of governance of a country.

Clearly 'freedom of speech and expression' is not clear-cut. Every country has laws prohibiting some aspects, and some more than others. Speech from any political fringe can sometimes be very unpleasant. This is something we tolerate in an open society.

While unpleasant and often personal accusations come from all directions, it tends to come more often from 'left-leaning' leaning people and organisations that attempt to stifle debate and thwart contrary voices from being heard. Much less is heard about conservatives, libertarians or moderates seeking to push commentators they disagree with off the air, out of print, or out of the public forum.

Weblog *CFACT* noted after the recent CANCUN United Nations summit:

When it comes to issues of climate and environment the only instances and pattern of genuine lawlessness and violence come from the green left. Take it from us. The police at these summits come equipped with riot shields and helmets fearing violence from the angry left, not CFACT. If you want to see real violent imagery, harken back to the shocking video produced a few months ago by radical climate campaigners '10:10' in which children and others who disagree with global warming policy are violently killed in explosions, their blood splattering across the scene. 10:10 has since apologized, but they are, as the character Rhett Butler said, like 'the thief who's been caught red-handed and isn't sorry he stole, but is terribly sorry he's been caught.'

Senator Cory Bernardi noted:

Sergio Redegalli, an artist who has become an eloquent spokesman for freedom of speech, has been subject to a campaign of hate and violence, legal threats and personal attacks. His crime? Mr Redegalli is the artist

responsible for the ‘Say no to burqas’ mural in Sydney’s Newtown. I happen to agree with Mr Redegalli that the burqa has no place in Australia. I consider it a security risk and a symbol of repression and Islamic fundamentalism. Many Muslims (and opinion polls suggest a vast majority of other Australians) agree with me. On dozens of occasions the mural has been vandalised. Mr Redegalli has been the subject of repeated threats. He has been forced to hire security guards to protect his business premises. Redegalli is currently having to defend himself before the anti-discrimination board of NSW from a complaint by a non-burqa wearing woman who feels outraged on behalf of her masked sisters in Islam that the mural is ‘racially vilifying.’

Consider the tiresome example of ‘politically correct’ (PC). It refers to the use of language that could cause an individual of any demographic (social or cultural) group to feel excluded, offended, or diminished. The underlying aim, ostensibly, is to avoid offending some group. Feminists, Muslims and homosexuals tend to dominate those most likely to take offence to non PC remarks. The public in general tend to smirk at PC remarks.

Problems arise when a group objects to some words and uses this to further a covert agenda. Typically, the objection would be forwarded to a range of media which treat it as news. Often, the group arranges a demonstration, informing the media in sufficient time for them to set up their cameras to capture stirring pictures (this tactic is not confined to PC promotion). Politicians are usually the indirect target audience as they are expected to submit to the covert demands. Then the objectors melt away – until the next campaign. Sometimes large companies are targeted.

Beware the hidden persuaders

Vance Packard published *The Hidden Persuaders* in 1957. This seminal book explores the use of psychological techniques, in-depth psychology and subliminal tactics by advertisers to manipulate expectations and induce desire for products. Packard suggests these techniques can be so strong that people are effectively compelled to buy products to satisfy themselves. Of most concern for this report, the book also explores the manipulative techniques of promoting politicians to the electorate. The book questions the morality of using these techniques.

Consider this advice from confidential market research, commissioned by the Australian Treasury, to help Labor sell its mining tax and other policies ahead of the election. ‘Productivity is beyond the understanding of ordinary voters and the term “globally competitive” conjures images of the Third World and should be avoided.’ Apart from appalling arrogance and dishonesty, this sounds like the proverbial ‘mushroom treatment’, ‘keep them in the dark and feed them bullshit’.

In Britain, a Cabinet Office Behavioural Insight Team, otherwise known as the Nudge Unit, advised government departments about which psychological tricks are likely to achieve the best results. In a report published in late 2010, it explained that the ‘traditional tools of government’ have failed to alter people’s ‘behavioural problems’, and therefore it is spearheading a mission to ‘help the UK government develop and apply lessons from behavioural economics and behavioural science to public policymaking’.

Former NSW treasurer Michael Costa wrote, ‘The new machine men think politics is as simple as borrowing techniques and strategies from the product marketing textbook. Politicians are now brands that can be subjected to brand management techniques.’ Productivity Commission Chief Gary Banks noted the 1980s reforms had resulted from ‘the high calibre and extensive experience of political staffers with the intellect to

provide substantial advice.’ Now it appears that most government policy advisors are people with close party connections and pushing covert agendas.

Richard North explained another angle on the hidden persuaders in his article, “On being stitched up”, concerning apparently factual documentaries:

What was very clear, though, was that the producers then ‘cherry picked’ a tiny segment of the interview that gave them the line they wanted to present to the audience [...]. This is the practice of modern documentary makers, who can gather huge amounts of material and then edit and assemble the material in a way that they can present the message the producer wishes to convey. This is irrespective of what is actually said, and what interviewees actually intended.

The Teflon prophets

Thomas Sowell calls those who make predictions which are proven wrong ‘*the Teflon Prophets*’ – no failure can stick to their reputation. In *Vision of the Anointed*, he writes about Galbraith, Ehrlich, and the Club of Rome. His incisive views apply equally to several other organizations and propagandists described elsewhere in the report:

This vision so permeates the media and academia, and has made such major inroads into the religious community, that many grow into adulthood unaware that there is any other way of looking at things, or that evidence might be relevant to checking out the sweeping assumptions of so-called ‘thinking people’ [...]. Many of these ‘thinking people’ could more accurately be characterized as articulate people, as people whose verbal nimbleness can elude both evidence and logic. This can be a fatal talent, when it supplies the crucial insulation from reality behind many historic catastrophes. Much of the continent of Europe was devastated in World War II because the totalitarian regime of the Nazis did not permit those who foresaw the self-destructive consequences of Hitler’s policies to alter, or even to influence, those policies. In the anointed we find a whole class of supposedly ‘thinking people’ who do remarkably little thinking about substance and a great deal of verbal expression. In order that this relatively small group of people can believe themselves wiser and nobler than the common herd, we have adopted policies which impose heavy costs on millions of other human beings, not only in taxes, but also in lost jobs, social disintegration, and a loss of personal safety. Seldom have so few cost so much to so many.

Nowhere should freedom of speech be more important than in politics because our representatives must be able to propose measures, and make arguments, in fair but robust debate. Yet the general public are bombarded continuously with half-truths and sometimes downright lies. Sometimes the media expose the lies to a bored audience which has come to expect this from politicians. A large book could be filled with examples. Consider just one example, the now infamous National Broadband Network (NBN). The NBN could very beneficial to the Australian economy and way of life *only* if it is managed and implemented properly. All signs to date are that NBN has become a political football.

As Peter van Onselen wrote in *The Australian*:

Why must we endure politicians distorting facts with their analogies in a desperate attempt to engage with voters? [...] ‘The National Broadband Network is an investment which will end up earning interest money, effectively, for taxpayers. It’s the same as investing in a house and then when you ultimately sell it, you get your money back with interest,’ Julia Gillard told the ABC’s 7.30 Report last Thursday. No, it’s not, because unlike houses, which don’t become obsolete (we haven’t yet found an alternative way to live), the NBN isn’t

a guaranteed investment. In time, wireless technology or yet to be discovered alternatives could diminish the value of the NBN's fibre rollout.

Laws prevent the media from debating important topics

Australian lawyer Dan Ryan noted:

Increasingly governments in the West seem to believe the need to preserve some ill-defined sense harmony trumps any individual right to forthrightly discuss controversial subject matter. From Ottawa (Mark Steyn), and Vienna (Elisabeth Sabaditsch-Wolff) to Amsterdam (Geerts Wilders) and Melbourne (Andrew Bolt), prominent journalists and politicians are put on trial not because they have breached any traditional, narrowly defined limits on free speech (defamation, incitement to violence, breach of national security) but because they have criticised or drawn unwelcome attention to some important cultural, religious or ethnic problem that should rightfully be subject to debate. Perhaps in response to these legal constraints there has been a tendency by media not only to refrain from hard criticism of cultural, religious or ethnic problems but to avoid even properly describing them. If it is decided that we must restrict speech or avoid discussing certain subjects to keep the peace over an apparently combustible population, might now not be the time to ask whether this type of harmony is worth celebrating?

Other aspects relating to covert influence are described in *Section 3.12*, Global Governance and *Section 3.13*, NGO Influence. At least three types of groups appear to be using a range of overt and covert means to exert significant undue influence on Australia: the United Nations, a few Muslim organisations and extremist individuals, and a range of 'green' individuals and organisations such as WWF. No doubt there are many more.

3.06 Trade Unions, Labour Laws and Productivity

This issue is very controversial and often very confused. Considerations of the previous Australian Coalition Government's Work Choices legislation were a primary cause of their losing the last election.

National productivity measures are used to indicate the capacity of a nation to harness its human and physical resources to generate economic growth. Productivity measures are key indicators of economic performance and compared internationally, although not necessarily measures of the overall 'health' of the nation. Australia's productivity was slightly above the OECD average, but there are now major concerns that Australia's productivity is falling behind, in part as a result of recent Labor government changes, in particular laws on Fair Work that replaced Work Choices.

The IMF's Economic Intelligence Unit has listed twenty nations – all African, Middle Eastern or Asian – which are enjoying the strongest growth in the world this year. Resource-rich Eritrea heads the list followed by Qatar; China and India are in fifth and sixth places with projected growth of between 8.5% and 9%. European nations dominate the list of the twenty slowest-growing countries with some, including Greece, Portugal and Ireland, facing another year of contraction and others just above zero growth. The US ranked twentieth on the slow list, close to Australia.

Australian productivity has slowed substantially during the current decade

The Grattan Institute stated:

Productivity growth is the most important determinant of long run improvements in any country's sustainable standard of living. After decades of decline relative to other countries, Australia substantially improved its productivity performance in the 1990s. However, productivity growth has slowed substantially during the current decade.

Productivity is the ratio of output over input. Output is that amount of product or service produced; input is the amount of input required to produce the output (labour, materials, energy, capital.)

Management consultants, *McKinsey*, noted in an article, "How productivity creates jobs":

Many people fear that productivity threatens employment, yet in the United States both have risen in every ten-year rolling period but one since 1929. Productivity is a job generator rather than a job killer because it not only increases efficiency but can also expand output through innovations that improve the performance, quality, or value of goods and services. Even productivity that stems solely from efficiency gains can raise employment if companies pass the cost savings on to their customers in the form of lower prices – leaving households and businesses with more money to spend elsewhere – or use their savings from leaner operations to set up new job-creating ones.

Numerous problems relating to the people (labour) component of productivity are a result of history. Evolution over many centuries included craft unions, master-servant relationships, friendly societies, socialism/communism, craft versus industrial unions, 'them and us' attitudes, 'class warfare', complex power plays and of course politics. Current labour laws and regulations relating to the management and

operation of organisations is a bewildering mess so complex that only a bureaucrat could support them (and possibly a lawyer paid by the hour to advise on labour issues).

Modern organisations involve a complex interaction of factors and 'stakeholders'. Stakeholders are all those people with a stake in the organisation including owners, customers, staff, contractors and suppliers. Optimum productivity involves all components of the organisation as well as all stakeholders. Richard Blandy, adjunct professor in the school of management, University of South Australia, summed up a range of related problems in an article in *The Australian*. Extracts relevant to this report note:

[I]ndividual workers are relatively powerless at work compared with their employers and that this can lead to exploitation and unfair treatment. But in the large majority of cases, this imbalance of power does not lead to bad outcomes for workers. The reason is that employers have a stake in their employees liking their conditions of work. Liked conditions lead to reduced turnover, easier recruitment, higher returns from the provision of training, greater willingness to be flexible in meeting variations in work needs, higher productivity and lower costs. Since all workplaces differ from each other to some extent [...] imposing uniform standards is bound to reduce the capacity of each employer to tailor their work conditions in ways that best meet the needs of their businesses, including the needs of their employees. [...] Regulation is bound, through time, to reduce the productivity and competitiveness of businesses and their capacity to produce output, pay wages, earn profits, invest and expand, creating more job opportunities in the process. Fairness is a very difficult concept to apply to regulating the labour market without resulting in bad unintended consequences. The alternative to regulation is to rely on the fact that businesses have to pay the market rate to their workers if they are to stay in business. Regulations to protect individual workers from unfair treatment may have adverse unintended consequences for working Australians more broadly. A balance must be struck that does not cost the broader community heavily. Excessive labour market regulation has cost Australians heavily in the past.

So much for democracy: Union elites rule NSW

The Australian reported:

In 1997 then NSW premier Bob Carr wanted to sell his government's power stations, for an expected \$35 billion in today's dollars. But the unions that dominate the Labor Party did not like the idea and Mr Carr declined to take them on. Some 11 years later then premier Morris Iemma tried again, hoping to make \$15bn on a deal to sell electricity retailers and lease the generators to the private sector. However, the unions and their mates in the Labor machine still said no and when Mr Iemma correctly and courageously pushed on they arranged to have him rolled as premier. Last year yet another Labor leader, Kristina Keneally, and her Treasurer, Eric Roozendaal, came up with a scheme for the private sector to trade the electricity generated by government-owned power plants, which their union masters approved. The bad news was the deal was expected to raise only \$5.3bn. Even worse, on Tuesday NSW Treasury secretary Michael Schur told an upper house inquiry into the arrangement there would be deductions from this figure. Including an estimated \$360 million to compensate the companies leasing generators for power outage. And \$1.2bn to cover power station debts, which they would not be able to meet when they lost the income from selling their electricity. There is also the matter of the \$1.5bn the government is spending on a new mine that would sell coal to the private sector power providers at below market price. No one seems to know just how much cash the taxpayers of NSW would receive from the deal but it is a fraction of what Mr Carr and Mr Iemma could have got. (Some have already gained handsomely: nearly \$166m has been spent since December 2007 on transaction costs: of which nearly \$60m has gone to accountants Ernst and Young and legal advisers Baker and McKenzie.) The comrades responsible for this mess defied one premier,

destroyed a second and have now approved a deal done by a third which reveals the government to be incapable of managing the state's finances. And in the process they demonstrated Labor premiers in NSW do what they are told by party and union officials, or else. Ms Keneally obviously understands this. She rejected independent advice to privatise Sydney ferries, which public service feather-bedding makes too expensive. She reneged on national work safety reforms, because it meant the end of a local lurk that reverses the onus of proof in occupational health court cases and allows unions to keep a share of any fine accompanying a conviction. That John Robertson, the union chief who led the opposition to Mr Iemma over power, is Transport Minister now and expected to lead Labor if Ms Keneally leaves after the election only confirms the authority of the apparatchiks.

Is it acceptable in a modern democracy that a few union elites are in effect ruling NSW? How on earth can a democratic system produce such a skewed result? In a *Sunday Telegraph* Galaxy poll, 83% of voters believe the Labor Government has done a poor job handling the electricity assets sell off; just 10% said they had done well.

Union membership in U.S. companies slumped to a record low in 2010 as the recession eroded employment in industries where organized labour represents the workforce, the US Labor Department reported. Labor unions represented 6.9% of employees in companies in 2010, down from 7.2% in 2009. Total union membership, including public employees, fell to 11.9% of the workforce from 12.3% in 2009.

In Australia in 1986, 46% of employees belonged to a trade union. By 2007 the rate of membership had fallen to 19% of employees. The Australian Bureau of Statistics (ABS) said in mid 2010 there was a small increase in total union membership over the previous two years: 46% of public-sector employees were union members compared with 14% in the private sector. The likely reason for the increase was the Labor government's support for unions and removal of Work Choices.

Labour legislation is so complex that administering it has become an industry

Legislation relating to labour, conditions of work, unions and employees has grown over many years. This legislation typically is now excessively complex. Legislation often favours lobby groups and supporters of one or other parties. The current Labor government has implemented legislation which strongly favours their union supporters and threatens to take labour relations and productivity back decades.

The key differences between a person who is 'employed' and someone who is 'self-employed' is the perceived need to provide additional benefits to employees such as minimum wage, a 40-hour working week, overtime, holiday pay, sick leave, fair dismissal, a written statement of the contract and the right to organize in a union. It is generally assumed that genuinely self-employed people should be able to look after their own affairs, and therefore work they do for others should not carry with it an obligation to look after additional rights.

A fundamental question arises now, in 2011, whether *any* legislation in addition to commercial legislation is needed for contracts between employers and employees, and between contractors and their clients? That is, whether different legislation be needed for contracts *of* service and contracts *for* service?

Big Brother dictates employment minutiae

Obvious questions arise as to why the government should dictate the number of hours a person works each week before 'overtime' starts. This was important a century ago when many workers were often treated little better than slaves. And why should the government dictate minimum pay-rates which often result in people not getting work because a business cannot afford to pay the minimum rate? Dozens of similar anomalies could be listed.

Australia has a fast-growing number of people over the official retirement age. Retirement age is a result of history and is entirely artificial. A Productivity Commission report warns the number of people relying on the pension system would more than treble to 3.6 million by 2050 – a demographic time bomb. Whilst many organisations such as unions railed against the report, Aged and Community Care Victoria chief Gerard Mansour hailed the report as a breakthrough for a system suffering from chronic under funding noting: 'There is not a sustainable system at the moment. The current policy setting won't meet the long term needs'. Why is it accepted that many world leaders can continue working well into their seventies, yet people with far lesser jobs are required or expected to retire at a specific age?

An important contribution to improving lifestyles as well as Australia's productivity problem would be to remove regulations which discourage older people from continuing to work, at least part time. A retired person working part-time also receives a partial pension. Surely, a business should be able to pay mutually acceptable remuneration to older workers that is cost-effective to the business and attractive to retirees.

Most controversial of all: why trade unions operate under different legal requirements? Trade unions played an essential role in improving work conditions over many decades, but many unions then extended their power too far with dubious, sometimes illegal, practices to extract more money and better and better conditions from businesses for their members. The Australian water-front dispute in 1998 was an example of industry unions exerting monopoly power. Regrettably, most unions have failed to update their approaches to what their members need in the twenty-first century. Instead a very small number of union leaders still invoke class warfare rhetoric from earlier years and focus on increasing their own power. A few union leaders are modernising their approaches, but they tend to be less newsworthy.

A fundamental question arises: what rôle, if any, should the government and law play in regulating relationships between employers and employees that is not available for all other parts of Australian commerce?

3.07 Standards, Regulations and Intrusion

Nearly every aspect of life now has standards and regulations imposed by government. Regulations seem to have taken on a life all of their own, intruding into everyone's personal space and liberty.

No sensible person questions the need for some standards and regulation. Indeed, many regulations and standards have undoubtedly saved lives, prevented injuries and reduced damage. Initial swimming pool regulations are a good example, but close examination of recent changes indicates even these are becoming a counsel of perfection and increasingly intrusive.

Few people disagree with the common complaint that regulations are far too numerous and restrictive. As with the global-warming fraud, regulations enable many people to make considerable amounts of money; it is a huge business developing standards and regulations, passing laws, producing information, training enforcers, checking compliance, fining those who disobey and so on for thousands of areas. It is also a bureaucrat's and politician's dream come true: how to control the masses; it is a 'business' that is totally unproductive.

Education: an example of how standards can be misused

The recent National Professional Standards for Teachers detailing the characteristics of successful teachers and what constitutes quality teaching is said to be at the 'leading edge of international practice' and is 'fundamental to improving educational outcomes for young people'. The standards 'make explicit the elements of high-quality, effective teaching in 21st century schools', will ensure that 'good teachers' become 'great teachers' and that the new standards will 'enable teachers to constantly strive for excellence'.

Dr Kevin Donnelly, director of the Education Standards Institute, offers a different interpretation:

The seven standards and accompanying 37 focus areas and 148 descriptors impose a bureaucratic, time consuming and checklist mentality. These standards will result in teachers wanting certification or promotion, instead of focusing their time and energy on being effective and inspirational classroom teachers, having to spend most of their time collecting reams of evidence, attending fruitless in-service programs and genuflecting to education fads such as personalised learning, open classrooms and treating children as knowledge navigators. Descriptors requiring graduate teachers to 'include a range of teaching strategies in teaching', and 'Demonstrate the capacity to organise classroom activities and provide clear directions' and 'Understand the relevant and appropriate sources of professional learning for teachers' are also vague and generalised. Worse still, the new national standards document, approved by all Australian education ministers last December, fails to detail what evidence will be used to prove that teachers have met the various standards or to ensure that the assessment regime for teachers is rigorous and credible. Yet there is an alternative: instead of enforcing a one size-fits-all command and control model, give schools the autonomy and flexibility to design and implement their own approaches to teacher certification and evaluation. While the Australian Education Union, given its self-interest, opposes giving schools the power to hire, fire and reward teachers, there is increasing evidence that such policies lead to stronger outcomes. Such freedom explains why Catholic and independent schools, even after adjusting for the socioeconomic profile of students, do so well academically.

Far from respecting rules and regulations produced by governments, most of the general public appear to consider each new regulation as further intrusion on their liberty, another way to control them and make work for even more bureaucrats. Except for those who profit from excessive regulations, almost everyone

else agrees there is major scope for simplifying and reducing the number and degree of government-imposed regulations.

3.08 ‘Carbon Pollution’ v. Weather

One of the most topical issues that demonstrates a range of government ineptitude and ideology is the extraordinary oxymoron ‘carbon pollution’. This concerns the view that man-made carbon dioxide gas (CO₂) is causing dangerous global warming. Anyone searching the Internet can identify all the main views, issues and evidence relating to global warming – or ‘climate change’, or ‘climate disruption’. All three terms describe what has happened on our planet for a billion years, and no doubt will continue to happen for the foreseeable future, with or without human influence.

‘Carbon pollution’ is dominating politics

‘Carbon pollution’ is discussed in more detail in this report than other equally important issues because it emphasises a range of factors which apply to several other issues.

Most governments around the world as well as major organisations such as the United Nations have adopted the view that Anthropogenic (man-made) Global Warming (AGW) will cause the world to heat up, probably to a ‘tipping point’, above which the rate of warming would accelerate catastrophically.

Governments have spent many billions of dollars over recent years trying to prove the AGW theory. It has been demonstrated numerous times that little more than a mention of the possible relevance of AGW to a research project will ensure government funding. All this money on research has failed to prove any major aspect of AGW. For instance, the ‘tipping point’ is a result of most of the current climate computer models, yet the results of models commonly quoted by organisations such as the UNIPCC (United Nations Intergovernmental Panel on Climate Change) fail to predict even recent past temperatures based on previous temperature records, so why would anyone believe these same models can predict future temperatures accurately? It is not even a theory in scientific terminology, it is an unproven hypothesis.

Factors that appear to have caused major climate change in the past include: the sun (radiant heat, sun spots, orbit *etc.*); ocean currents (including El Niño and La Niña); large meteorites exploding; volcanoes (on land and under oceans); the moon’s orbit; large planets’ orbits; water vapour in the form of clouds; the Earth’s magnetic pole shift (this has increased its normal speed 800% in the last decade); the Earth’s precessional ‘wobble’; and the sun’s magnetosphere and its electromagnetic interaction with a planet’s own magnetic field.

Meteorologist Art Horn noted: ‘If one actually studies the history of weather over the last 2,000 years, you see massive storms, amazing heat, brutal cold waves, devastating droughts, terrible floods and disastrous hurricanes – none caused by global warming.’

The causes of climate change are extremely complex and largely unknown. Current views with regard to the hypothesis that man-made carbon dioxide is the primary cause of global warming bear marked resemblance to historical views that the sun goes around the earth and that the earth is flat. Given the current level of knowledge, such profound ignorance is dismaying, as are some comments from believers in AGW that resemble persecution of witches in the middle ages. These ‘believers’ include many politicians, academics, rent-seeking scientists, professional societies and associations, and media.

Current ignorance and confusion about the role of carbon dioxide in climate have many causes: the often emotional, irrational, pseudo-religious approach to environmentalism; the political take-over of climate

science; funding directed to prove the political rather than the scientific agenda; the dogmatism of politics; and religion – all combined to suppress openness of ideas and critique.

Carbon trading has been riddled with fraud and manipulation

Many scientists and scientific workers say they firmly believe in AGW. Too often these people and organisations are paid handsomely to do so; to say they don't believe in AGW would likely endanger their income and career. Many corporations strongly support AGW because they expect to make large profits relating to 'carbon trading'; past examples include Enron (of spectacular crash and fraud fame) and Lehman Brothers (of the bank crash that escalated into the global financial crisis and is still under investigation) are two examples.

Current investigations in Europe have shown that many carbon-trading transactions were fraudulent – losses on the Danish carbon exchange alone exceed 7 billion Euros. Europol estimates that carbon-trading criminals trying to play the system may have accounted for up to 90% of all market activity in some European countries during 2009. Fraudulent traders mainly from Britain, France, Spain, Denmark and Holland pocketed an estimated €5bn. Carbon allowances are particularly susceptible to fraud because they are high value, intangible and easily moved between different countries. Europe's €90bn carbon emissions trading scheme was reported to be disarray after a series of electronic thefts now thought to be worth €30bn. Hackers targeted the national carbon credit registry in the Czech Republic last week, forcing the European Commission to order a continent-wide shutdown of the entire spot trading market.

Even many of the measurements of temperature which supposedly show global warming have been demonstrated to be manipulated – invariably in an upward direction. For example, the official NZ temperatures from the NZ government Crown Research Institute NIWA (National Institute of Water and Atmospheric Research), have been challenged in court. The result: NIWA has disclaimed responsibility for its own temperature figures and offered to prepare a new set of figures. Each month's promise has been missed. The Australian CSIRO has had similar claims about bias and manipulating temperature figures; a formal request has been made to the Australian Auditor General to investigate evidence of manipulation.

Many governments and organisations are using the AGW scare to further their own agendas, irrespective of the facts and evidence. Governments see more taxes; the UN sees more control of the world; small island states such as the Maldives foresee huge payments allegedly compensating them for sea-level increases supposedly swamping their islands (despite the fact the their sea level is static or falling and they are planning a major extension of their airport still only slightly above the current sea level). Many environmental groups promote AGW to attract funds. Numerous professionals and companies claim they believe 'carbon taxes' and 'carbon-trading' are needed to counter risks of global warming contrary to evidence, but clearly supporting the 'rent-seeking'. For instance banks mostly strongly support 'carbon-trading' because of the profits available from financial transactions.

Occasionally the facts are noted: carbon dioxide is a minor trace gas that is essential to all life forms, has had far larger concentrations many times before in history and such high concentrations have been demonstrated to follow, not lead, increases in temperature as a result of global warming, not its cause.

The whole AGW fraud is collapsing rapidly

Increasing numbers of genuine scientists have presented facts, evidence and views against AGW. Carbon trading is also collapsing in several countries – the Chicago carbon credit exchange closed in November

2010 after some people who had formed the company such as Al Gore had bailed out gaining huge profits. Polls show that the general public is increasingly sceptical of the outrageous claims for AGW. People remember the many previous scares that collapsed such as global cooling in the 70s, DDT, saccharine, the ozone layer, acid-rain killing forests, Y2K and Swine Flu. In 1996, the UK government's chief scientific adviser on BSE triggered a scare that cost Britain £7 billion by predicting that 500,000 people would soon be dead. A year later the same official had revised his predicted death toll down to 100.

Recent investigations have revealed that some government advisory groups apply processes that are seriously flawed; for instance NIWA, and several recent investigations into advice and reports from UK government departments.

There are alarming parallels in Australia with the highly inaccurate advice provided by the British Meteorological Office to the UK Government concerning weather for the 2010/11 winter. *Appendix D* has Christopher Brooker's article in the UK's *Sunday Telegraph* describing the initial advice, followed by some disturbing updates contradicting their previous advice, and apparently kept secret by the British government to avoid upsetting their chosen stance at the Cancun Climate Change conference.

James Delingpole of the UK's *Telegraph* summed up:

In a nutshell, I think it [AGW] has been greatly exaggerated by a number of special interest groups with an axe to grind: scientists in pursuit of the trillions of dollars worth of funding; eco-charities who depend for their donations on scare stories; leftists using environmentalism to further an anti-capitalist agenda; deep greens who believe man is a blot on the landscape and that he should be punished through tax and regulation; governments and NGOs who see it as a way of raising taxes, increasing control, and being seen to be addressing popular concerns; cynical corporations who wish to 'green-wash' their image or make easy money through taxpayer funded scams like wind farms; and so on.

Delingpole notes a list of die-hard supporters of AGW whose views remain immune to evidence:

[the] rich, powerful, bullying Climate-Change establishment includes all three British main political parties, the National Academy of Sciences, the Royal Society, the Prince of Wales, the Prime Minister, the President of the USA, the EU, the UN, most schools and universities, the BBC, most of the print media, the Australian Government, the New Zealand Government, CNBC, ABC, the New York Times, Goldman Sachs, Deutsche Bank, most of the rest of the City, the wind farm industry, all the Big Oil companies, any number of rich charitable foundations, the Church of England and so on.

Another complication is that an unreasoning hatred of nuclear energy is so endemic among environmentalists that many will not face the flaw in their argument: if coal is unclean, producing power from uranium should at least be considered as a way of cutting our carbon emissions at a price the community can afford. Instead, environmentalists point to the potential of power produced by wind and the sun. But the arguments for alternative energy mostly fail. Generating enormous amounts of electricity is essential to meet peak demand, but solar power simply cannot compete on cost or capacity with big power stations fuelled by coal, gas or uranium. The green dream of home owners becoming energy-farmers producing power from rooftop solar panels is already occurring, but at such an enormous cost that schemes are being scaled back.

Steve Holliday, CEO of the UK National Grid stated, 'Blackouts could become a feature of power systems that replace reliable coal plants with wind turbines in order to meet greenhouse gas targets.' This is one

result of the recent power generation policy agreed by the UK government that plans many thousands of wind turbines, but phases out many base-load thermal generators. This will result in government-authorized black outs, massive increases in power prices; in effect taking the UK back closer to pre-industrial revolution times – all in the name of supposed sustainability and an incoherent belief in AGW. It is incomprehensible that in 2011 the British Government is planning to prevent people turning their lights on when the wind isn't blowing – all in the name of pursuing an unproven hypothesis.

A few governments are reversing the drive to tax CO₂.

In the USA, on her appointment as Governor New Mexico, Susana Martinez removed all the members of the state Environmental Improvement Board for helping create an 'anti-business environment.' Martinez harshly criticized the members of the board, saying: 'Unfortunately, the majority of EIB members have made it clear that they are more interested in advancing political ideology than implementing common-sense policies that balance economic growth with responsible stewardship in New Mexico'. On her first day in office, Martinez halted 'all proposed and pending regulations,' which include the cap-and-trade regulation.

Some Australian government departments are finally reversing bad decisions. David Jones, the manager of climate monitoring at the Bureau of Meteorology, noted recently that eastern Australia remains in the middle of a very strong La Niña system that would continue until at least the autumn. And, while La Niña events usually last for 12 months, they can last a lot longer. 'A strong La Niña can last for a number of years as happened in 1998, 1999 and 2000. We may have heavy rain for years yet'. Compare that prediction with this warming alarmism from Jones three years ago, reported by *The Sydney Morning Herald*: 'It may be time to stop describing south-eastern Australia as gripped by drought and instead accept the extreme dry as permanent. Perhaps we should call it our new climate'.

The previous Prime Minister Kevin Rudd, and Climate Change Minister Greg Combet, have both recently purchased beach-side properties well within the reaches of supposed sea level rises and storm surges. Presumably they do not believe their own rhetoric concerning global warming and the consequences.

Perhaps the surest sign that the 'global warmists' are losing the battle is that so many now are descending to invective – invariably the last resort of people when they realise they have lost the rational arguments. US Journalist and AGW-believer Mark Hertsgaard referred to Dr Martin Hertzberg, a well-respected analyst and commentator on climate change science, as a 'climate crank' and that he was no more credible than that of the 'Flat Earth Society'. Hertzberg responded, 'I am always encouraged when an adversary in an argument, rather than citing the facts or the data, resorts instead to *ad hominem* slurs: it can only mean that I am winning the argument.'

Critical aspects of disaster planning seem to be largely missed by authorities

The governments, businesses and individuals, whether profiting from work related to AGW, or merely conned by repetitive media messages, appear to ignore several key points:

- Climate has always changed, mostly in identified cycles – always has and always will.
- It is not known whether it be possible, now or in the future, for mankind to affect climate significantly.
- Weather has always caused massive disasters.
- Several natural causes of climate change are being ignored.

- One of the most critical tasks of central and local government is to prepare for weather-related disasters.
- Recent disasters in Australia demonstrate an unprofessional lack of effective planning for foreseeable disasters such as the 2009 fires in Victoria, and the 2011 floods in most Australian states.

Lasting memories and results of the massive AGW fraud are likely to include:

- The lamentable failures of government to plan properly for weather-related disasters.
- A large reduction in the credibility of a many professionals and government advisors, both individuals and their professional organisations, as well as executives of rent-seeking companies.
- Even more distrust of politicians.
- Voters demanding transparent and independent cost-benefit/risk analyses before governments spend any more of their money on related projects.

3.09 The ‘Green Mafia’

It is rare nowadays to see, read or hear anything that does not have a reference to ‘green’. The question of the relevance of ‘green’ to government and a vast range of organizations is both important and tricky. *Important* because there are large amounts of money involved as well as numerous vital environment issues; and *tricky* because so much of what we read about things ‘green’ is deliberately distorted. This issue is often related, directly or indirectly, to the previous issue of ‘carbon pollution’.

Some environmental issues and related efforts are helping make a better world. But because so many organizations and people have got on the ‘green’ bandwagon to make money, gain power, or push some hidden agenda, it is extremely difficult to sort the wheat from the chaff.

There are many genuine believers in environmental issues

There are innumerable examples of harm caused to the environment. Many believers in environmental issues have achieved major successes such as reducing the clearing of rain-forests, planting trees in cleared areas and preventing important coastal mangroves being cleared inappropriately.

Patrick Moore, one of the founders of Greenpeace, wrote in *his book, Confessions of a Greenpeace Dropout*:

You could call me a Greenpeace dropout, but that is not an entirely accurate description of how or why I left the organization 15 years after I helped create it. The truth is Greenpeace and I had divergent evolutions. I became a sensible environmentalist; Greenpeace became increasingly senseless as it adopted an agenda that is anti-science, anti-business, and downright anti-human.

One example of the ‘green’ anti-human agendas concerns the DDT scare spread around the world following the publication of Rachel Carson’s book *Silent Spring* in 1962. The book documented supposedly detrimental effects of pesticides on the environment, particularly on birds. She also accused the chemical industry of spreading disinformation, and public officials of accepting industry claims uncritically. Its title was meant to evoke a spring season in which no bird songs could be heard, because they had all vanished as a result of pesticide-abuse. Whilst there were some excessive uses of DDT, the media denigration resulted in most previous use of DDT to prevent malaria ceasing. Now some 250 million people are infected annually, with 90% of the agonizing chills, fevers, nausea, brain damage and death occurring in sub-Saharan Africa.

‘Green’ organisations regularly recruit film stars, super-models, sports personalities and pop stars to promote their alarmist views, in particular with regard to AGW. Further examination of these stars’ lifestyles often gives the lie to their passionately presented messages. For instance, James Cameron, the *Avatar* film director, talks about ‘living with less’, yet owns a helicopter, several submarines, three Harley Davidson motor cycles, four sports cars and a private yacht. Al Gore is amongst the most hypocritical with regard to what he preaches and what he actually does, irrespective of the fact that many of the views he presents have been disproven.

Anyone who relies on popular media is likely to be scared witless by a range of information, usually presented as fact – documentaries, pictures, articles and recently YouTube movies. Most media push the scary stuff because it attracts readers and viewers. Fortunately, some – a small minority – media do

present factual and balanced views, and there are numerous websites which provide a large range of information on 'green' subjects – both fact and fiction.

Numerous government services and commercial products are promoted now as 'green', often with reference to their 'carbon footprint'. 'Carbon footprint' alludes to an amount of carbon dioxide that the service or product produces or saves, or both, thus supposedly 'saving the world'. No doubt the Italian Mafiosa could learn much from the 'green industry'.

Come back Genghis Khan, the greens have forgiven you

The UK's *Daily Mail* reported:

Genghis Khan's bloody conquests scrubbed 700 million tons of carbon from the atmosphere as depopulated land returned to forest. Genghis Khan has been branded the greenest invader in history – after his murderous conquests killed so many people that huge swathes of cultivated land returned to forest. The Mongol leader, who established a vast empire between the 13th and 14th centuries, helped remove nearly 700 million tons of carbon from the atmosphere, claims a new study. The deaths of 40 million people meant that large areas of cultivated land grew thick once again with trees, which absorb carbon dioxide from the atmosphere. The 700 million tons of carbon absorbed as a result of the Mongol empire is about the same produced in a year from the global use of petrol.

What would happen if every aspect of the 'green' industry disappeared?

If the destructive parts of the 'green' industry disappeared, massive savings in related costs and effort would be diverted elsewhere – preferably to useful areas. The danger is that some of the efforts and funds would also disappear rather than being directed to areas that genuinely improve the environment.

How could the negative parts of the 'green' industry be removed? When the 'carbon pollution' industry is exposed as an oxymoron, it seems likely that momentum would enable a drive to cull 'green' excesses.

3.10 Water Management

The management of water in Australia currently is very complex. Federal, State and Local Governments are all highly involved as are many private organisations, individuals and academics. Numerous regulations, agreements, subsidies and industries result in confusion, lack of action and many nonsensical decisions.

Several issues are discussed in this section that apply similarly to the management, in particular to the planning, of other infrastructure and the environment.

In view of the devastating floods in Queensland in early 2011, note the comments in 2007 predicting the end of dam-filling rains by Queensland Premier Peter Beattie:

the effects of climate change on our region meant we could no longer rely on past rainfall patterns to help us plan for the future [...]. Given the current uncertainty about the likely impact of climate change on rainfall patterns in SEQ over coming years, it is only prudent to assume at this stage that lower than usual rainfalls could eventuate.

Australian of the Year Tim Flannery said in 2007: 'Over the past 50 years southern Australia has lost about 20% of its rainfall, and one cause is almost certainly global warming [...]. Desalination plants can provide insurance against drought.' Flannery recently stated, 'I think that, within this century, the concept of the strong Gaia would actually become physically manifest.' He continued, 'I do think that the Gaia of the ancient Greeks, where they believed the earth was effectively one whole and perfect living creature, doesn't exist yet, but it will exist in future.'

Consider the many billions of dollars spent on desalination plants. These plants were considered necessary based largely on forecasts of worsening droughts, primarily as a result of global warming predictions. Yet a simple examination of climate changes over the last two centuries predicts generally what has happened in 2011: major flooding in several States, insufficient dams to contain the water available; billions of dollars worth of desalination plants where completion is no longer warranted; completed plants are being mothballed; and tens of billions of tax-payers dollars wasted.

Dams wither in a sea of regulations and greenery

The lack of dams is again a result of false forecasts based on belief instead of evidence, excessive and complex environmental regulations, and because a small number of people who would be affected complain loudly in front of sensation-seeking media. The result is usually capitulation by government followed by uneconomic alternatives. The superb Snowy River hydro-system would probably never have been built if current regulations and planning had been in place then. The lack of significant dam-building for years is a travesty. Victoria State residents must now wonder why its Labor Government refused to build a cheap dam, opting instead for a \$5.7 billion desalination plant to deliver a third of the water on the specious premise that global warming was drying up the rains.

Another example of failure to build vital dams is seen in the devastating flooding of Gympie by the Mary River in Queensland. The Mary was the site of a proposed dam banned by Federal Environment Minister Peter Garrett. Garrett said he made the interim decision to reject the \$1.8 billion plan to dam the Mary River because evidence showed it could kill off endangered species. 'The project would have serious and irreversible effects on national listed species such as the Australian lungfish, the Mary River turtle and the Mary River cod – both of those endangered.' A Queensland Government document shows a dam on the

Mary could cut the flooding by four metres – enough to save all but four of the shops in Gympie’s main street. The ‘green’ agenda considers fish, animals and birds far more important than mere human beings (see *Appendix B*.) There invariably proposals to mitigate the loss of wild-life caused by such schemes, but these proposals gain little media attention.

Aesthetics and expansion plans trounce risk management

Journalist Heather Brown summarised a fundamental planning dichotomy in *The Australian*, immediately after the water torrent disaster in her home town, Toowoomba:

Tragically, it seems some of the most basic rules of survival – and certainly the most elementary rule of town planning – were forgotten in the case of Toowoomba, a city that is dissected by East Creek and West Creek, two deceptively innocent looking little creeks that seem to run as much water as a decent suburban gutter for most of the year. Early yesterday morning I went back to the bruised and battered Margaret Street to support any local business that still had the heart to open. The newsagent told me he was devastated, not because of what had happened but because the engineer who had worked on the beautification project told him he couldn’t make them listen when he pleaded for bigger pipes – ‘18-footers’ he called them – to let the water through, because it simply didn’t suit the aesthetics of the architects and landscapers.

A report by scientific and engineering experts, *1999 Brisbane River Flood Study*, warned of significantly greater risks of vast destruction from Brisbane River flooding and raised grave concerns with the Queensland government and the city’s council. But the recommendations in the report for radical changes in planning strategy, emergency plans and transparency about the true flood levels for Brisbane were rejected – a Crime and Misconduct Commission investigated whether the report was covered up. The study highlighted how the council had permitted the development of thousands of properties whose owners were led to believe they would be out of harm’s way in a flood on the scale of 1974. Also, a CSIRO report into the 1974 floods in Brisbane predicted even worse to come. Four floods well in excess of the 1974 levels have occurred in the past 133 years and there is geological evidence of water levels 5.5 metres higher than the 1974 flood in the Indooroopilly area of Brisbane.

Brisbane City Council’s top flood engineer, Ken Morris recommended ten years ago that Wivenhoe Dam be operated differently to ensure a much larger buffer against flooding. He warned that the council’s development controls meant many residents were unaware that they would be severely hit by floods during rainfall events much smaller than those predicted to occur once in 100 years, despite assurances that their properties would not be affected. When residents of the towns of Fernvale and Lowood near the Wivenhoe dam pleaded with the dam operator, SEQWater, to reduce the levels they were told the dam levels would not be lowered and, with extraordinary arrogance, that they would not understand anyway.

SEQWater blames inaccurate forecasts from the Bureau of Metrology for inappropriate water releases. These claims are disputed, and late releases two days after warnings are considered to have increased considerably the height of floods in Brisbane. Even then, these late releases appear to have been motivated by fears for safety of the dam. The high-level Queensland Floods Commission of Inquiry, chaired by Honourable Justice Catherine Holmes, and with all the powers of a Royal Commission, is expected to resolve a range of issues with regard to causes and provide recommendations to mitigate future flooding, including Wivenhoe Dam.

Death resulting from flooding in Australia is not a recent phenomenon. The death toll from Australian floods demonstrates the severity and constancy of severe floods. It includes sixty-one deaths at Clermont in 1961, thirty-six deaths in Melbourne in 1934, twenty-two deaths in Northern Tasmania in 1929, fourteen deaths in the Hunter Valley in 1955, fourteen deaths in Brisbane in 1974, eleven deaths in Brisbane 1893, six deaths in the Charleville and Nyngan floods in 1990, and three deaths at Katherine in 1998. Interestingly Brisbane's biggest flood was in 1841.

Henry Ergas, an economist, wrote:

The scale of the disaster, with its terrible loss of life, requires us to consider whether present policies properly manage the risks that environment creates. The simple answer is that they do not. Rather, successive governments have allowed development in high-risk areas without requiring that development, and more generally those areas' populations, to face a price signal that properly reflects the costs those risks create. This has attracted additional activity to risk-prone areas, compounding the pain when catastrophes occur. [...] as Queensland rebuilds, we owe the victims of this disaster a serious, considered reassessment of policies that have failed time after time, and that left as they are, would only fail again.

Brendan O'Neill reported in the British *Daily Telegraph*:

The Queensland government ClimateSmart 2050, published in 2007, outlines Queensland's priorities for the next four decades (up to 2050) and promises to reduce the state's greenhouse gas emissions by 60% during that timeframe. The most striking thing about the document is its assumption that the main problem facing this part of Australia, along with most of the rest of the world, is essentially dryness brought about by global warming. It argues that 'the world is experiencing accelerating climate change as a result of human activities', which is giving rise to 'worse droughts, hotter temperatures and rising sea levels'. We are witnessing 'a tendency for less rainfall with more droughts', the document confidently asserted [...]. Perhaps it is time for our leaders to come back down to Earth and to address problems in the here and now, rather than endlessly moralising about man's behaviour and its future impact on Mother Earth.

There are proven ways to mitigate flood damage, even safe ways to build on some floodplains. Brisbane creeks experience two types of floods. Peter Skinner, associate professor University of Queensland noted:

A system of sluice gates at the Pamphlett Bridge (Brisbane) coupled with a strong, local levee bank system could dramatically reduce damage from rising floods to this whole south western floodplain. A similar operable valve system would also be needed on stormwater drains and pipes that flow from the creek catchment into the river. This is known technology; a quarter of the Netherlands is maintained dry below sea level using this method and the sluice gates needed for Brisbane's creeks are tiny compared with London's 30-year-old Thames River barrier.

This is not rocket science; why did Council planners not learn from overseas views and experience, or local specialists for that matter?

'In the Green quasi-religion, dams are evil, akin to a satanic force.'

Barry York, a journalist, wrote: 'In the Green quasi-religion, dams are evil, akin to a satanic force. Thus, there must never be any big new dams built. Not ever. The Green policy is expressed at their website as a principle: "There should be no new large-scale dams on Australian rivers."'

At local government level, water departments are mostly staffed by capable and dedicated professionals. But planning for the supply and treatment of water, together with sewerage disposal, involves a plethora of regulations, environmentalists' scare stories, political lobbying and inevitable NIMBY (not in my back yard) complaints and demonstrations. One result is that scarcely any dams have been built for decades, so massive amounts of flood water are mostly running to waste. The results of future droughts will inevitably be far worse including unnecessary water restrictions and more price rises.

The Murray-Darling water planning has been another travesty of mis-management. A complex mixture of State in-fighting, subsidies for agriculture unsuited to drought-prone areas (such as cotton and rice), muddled rain forecasts and costings that reflect politics more than reality.

An editorial in *The Australian* concluded:

The results of the present La Niña unleashed anything up to 7.5 billion tonnes of water on to the ground below in just 72 hours. But we can work to reduce its impact. Since ancient Egyptian engineers worked to harness the annual Nile flood, the strength of civilisations is marked by their determination not to submit to nature. In southeast Queensland, this may mean restricting riverside development, expanding Wivenhoe Dam or implementing other engineering solutions across the region. But it is 100% accurate and 100% useless to say that because Brisbane is on a flood plain, it would be inundated every now and again.

So, who would pay?

A New Zealand Supreme Court ruled in January 2011 that councils are responsible for the cost of repairing damage caused to leaking homes. The marathon case centred on who should pay for fixing the rotting homes, which *PricewaterhouseCoopers* estimates would cost New Zealand between \$11 billion and \$22 billion. Paul Grimshaw, a partner at law firm Grimshaw & Co, which defended the Byron and Sunset homeowners, said the decision was a victory for all leaky-building victims:

The council can no longer hide behind the notion that they are not responsible for the mess that leaky-home owners find themselves in. The court has said that the council must face up to its responsibilities. It must inspect residential buildings to ensure compliance with the Building Code. Homeowners are entitled to rely on the council to do their job and get it right.

The government has since modified the court ruling to provide for sharing of costs.

This raises the issue of what responsibility Australian councils and government have for property damage caused by floods. For instance, where councils allowed houses to be built on known floodplains and ignored reports warning of flood dangers. Irrespective, whether councils, Federal Government or State Governments pay the massive costs to recover from flood damage, most of the bills would finally come back to taxpayers and ratepayers. The rebuilding effort in the aftermath of Queensland's floods could top \$20 billion, according to the estimates by economists at ANZ bank.

3.11 Energy Management

It is easy to demonstrate that energy use and economic progress run in close parallel: most aspects of modern life use large amounts of energy.

The main forms of energy are produced from electricity and refined oil. However, the availability of cheap oil is diminishing fast. It is important to recognise that it is only 'cheap' oil that is peaking: there are large amounts of 'expensive' oil available; possibly colossal amounts under oceans. Replacements for traditional cheap oil include shale oil and gas, new discoveries under deep-ocean, biological methods to produce oil such as algae, bacteria and enzyme conversion of biomass, converting gas into oil, hydraulic fracturing ('fracking') and more. A recent major growth area in energy is switching to gas. In an interview with *Fortune* magazine, asked about the future strategy of 'Big Oil', Shell President Marvin Odum stated that by 2012 Shell would be producing more gas than oil. Late in 2010 Israel announced that the Leviathan gas field, off the coast of Israel, had 16tcf of recoverable gas which would make it one of the largest offshore natural gas fields in the world.

The problem is that the alternatives to cheap oil are not progressing as fast as demand is rising, in particular in large Asian countries. The current increase in vehicle numbers in China exceeds that in the rest of the world.

No shortage of electricity if the peaks are evened out

Most Western countries have ample total electricity available. Electricity generating capacity has to cope with peak demand which is during the day; at night the majority of their capacity is usually not required (unless the generator supplies a large 24-hour industry such as an aluminium smelter). Some generating systems have the ability to store excess generation by, for example, pumping water up to hilltop lakes at night, then letting the water flow back during the day to produce hydro-electric power to supplement peak loads. Such storage is very expensive and accounts for a minuscule proportion of generation. Some countries have large amounts of short-term hydroelectric capacity which can be accessed very quickly and so supplement shortfalls at peak periods or wind generation when there is insufficient wind – New Zealand is one example.

One long-anticipated solution to electricity storage comes from new forms of electrical batteries, in particular for electric vehicles. Current lead-acid batteries are too heavy with too low a capacity for most electric vehicle markets (although recall the battery powered milk delivery floats in the 1950s, and of course current golf carts). Most recent batteries based on new technologies are still too expensive and too heavy for use in standard vehicles. However, intensive research into better batteries is almost certain to produce competitive batteries soon, probably in the next five years. IBM believes 'scientific advances in transistors and battery technology will allow your (electrical storage) devices to last about ten times longer than they do today'. But will this all be soon enough?

Consider what governments are doing with regard to energy. First, the amount and quality of government long-term planning for energy, the life-blood of their economies, is appalling. Second, most Western governments have linked energy with their 'green' and 'carbon pollution' policies. Many governments, including Australia, are 'picking winners' and promoting schemes that increasingly being exposed as failures.

Governments subsidise the most uneconomic forms of power

The Australian reports:

at least \$1.5 billion worth of investment in wind-farms is in limbo after a collapse in the price of renewable energy certificates (REC). There is also uncertainty about when a revamp scheduled for next month would restore prices to viable levels. The nation's biggest base load renewable energy generator, the NSW Sugar Milling Co-operative, faces receivership by February unless the price paid for RECs almost doubles in the next three months. [...] The low prices have been caused by a glut in RECs issued to households that have taken advantage of government-subsidised solar-panel installations. The collapse triggered a revamp of the entire RET scheme in February and prompted Climate Change Minister Greg Combet to wind back the solar credits program earlier this month.

There are many results — all negative: very few new power stations are being built because of uncertainty of costs and 'carbon' regulations; electricity costs are rising fast; and governments are promoting and paying huge subsidies to other types of generation that are relatively uneconomic, particularly wind and solar.

Pity the power generators trying to plan when the goal posts keep moving

Electricity generation companies (mostly owned by States) are in a lose-lose situation. Mostly staffed by competent professionals, they are stymied by complex and confused regulations. The current catch-cries of 'sustainability', 'carbon pollution' threats (announced almost daily, but not quantified), environmental threats and complex legislation result in the impossibility of planning with any reasonable degree of certainty. *The Australian* reports that in the electricity sector alone, the uncertainty has led to \$10 billion, or 56%, of power generation investment planned over the next five years being slashed. Another result is that electricity prices keep rising, infuriating customers. As for the complex issue of electricity asset ownership, this has become little more than a political football in recent years (see *Section 3.06*).

The problem with wind and solar is that no power is generated when the wind is not blowing or the sun is not shining. For instance, wind-farms in Britain generated practically no electricity during the December 2010 extreme 'once in a century' cold-spell (the third consecutive winter described as 'once in a century'). Despite high demand for electricity most of the 3,000 wind turbines around Britain stood still owing to a lack of wind.

Back-up generation is essential. When the costing is done taking all factors into account, except in exceptional situations, wind and solar power are far more expensive than conventional electricity generation. However, governments and those making money from subsidies argue that solar and wind are the best ways to produce 'sustainable' energy. The Australian Labor government has ruled out consideration of the major long-term solution being implemented in many countries such as China: nuclear power. The previous Coalition government under John Howard was considering nuclear power for the longer term.

At least Australia's electricity management is a far cry from the lunacy of current British policies. As a British journalist put it:

Today Britain officially announced that it will single-handedly reverse the industrial revolution by deliberately trying to make energy more expensive. It intends to do this by adopting sources of power that

are irregular, unreliable, capital-intensive, unsightly, bird-killing, bat-killing, steel-rich, concrete-hungry, neodymium-demanding (a rare earth), dependent on Chinese imports and thirteenth century in concept. It intends to ask the poorest in society to pay hefty subsidies through their electricity bills to the richest. And it intends to do all this unilaterally so that we export jobs to other countries. It is mad. [...] What depresses me almost as much as the sheer bloody uselessness of the (UK) Coalition is the bloody uselessness of my colleagues in the Fourth Estate (even the notionally 'conservative' or free market ones) in opposing its wilder idiocies.

A Minnesota newspaper commented:

Obama's blocking of new power plants has triggered nationwide blackouts. The rolling blackouts now being implemented in Texas and across the country as record cold weather grips the United States are a direct consequence of the Obama administration's agenda to lay siege to the coal industry, launch a takeover of infrastructure under the contrived global warming scam, and help usher in the post-industrial collapse of America. Even as China and Mexico are allowed to build dozens of new power plants every year, the United States is barely permitted to construct a handful, as the Environmental Protection Agency takes control of refineries and power plants under the completely fraudulent pretext of preventing global warming even as the country experiences some of the coldest weather seen for decades. This is all part of the 'post-industrial revolution' that the global elite have promised to enforce as a means of turning the United States into a decaying banana republic.

Solutions are imminent, but will governments delay them?

In the medium term (5 – 10 years) there will be batteries for cars that enable electricity to be competitive with oil-based fuels. Batteries will also enable efficient domestic solar generation systems as well as storing electricity at low night-time rates becoming economic (for example Ergon's Super Economy [night rate] Tariff 31 in Cairns currently is 41% of the daytime domestic Tariff 11). But until this happens, huge amounts of money are being wasted by governments and most of their energy plans are out of touch with reality.

Business Insider reported:

Shale gas is quite simply changing the whole energy paradigm in real time. The unlocking of source rock has altered the future history of mankind. The world has discovered and unlocked its newest true world changing source of stored energy. The new technology will change the basic political power structures that exist today.

Meanwhile, various factions are attempting to prevent exploitation of this radical life-saving technology. A recent injunction preventing exploratory drilling for shale gas was overruled when the toxic release was demonstrated to be less than 2 parts per trillion. The allowable limit for this particular toxic chemical is 3 parts per million. The various 'green' factions were not deterred; they just moved on to the next objection that suited their ideology. However, this and other technologies involved in hydrocarbon extraction have considerable potential for pollution – monitoring against practical standards is essential.

There will also be an indeterminate number of transition years when energy shortages and high energy prices could have major economic repercussions.

Meanwhile, Australia has enormous quantities of very low-cost gas of various types, massive amounts of low-cost coal and is one of the largest suppliers of uranium ore in the world. However, the Australian

government is still enacting policies that promote the most uneconomic sources and places a raft of restrictions on the most economic sources. And all for reasons which have been mostly discredited.

Energy is just one more example where government intervention in markets makes things worse. Government are notoriously bad at 'picking winners'. Kevin Rudd's payment to Toyota had little to do with his stated aim to support a shift to more fuel-efficient vehicles, and everything to do with buying political support – Toyota were somewhat bemused after the announcement (the hybrid Camry has been fairly popular with government and fleets, but made few sales to the private sector who pay with their own money). As long as the government dithers about a 'carbon tax' and subsidises inefficient generation and related schemes, the energy industry in Australia will be confused and delay progress, and energy prices would increase unnecessarily. As the saying goes: 'there is no problem so great that government cannot make worse.'

In another twenty years, new technologies will almost certainly be producing and using energy in dramatically different ways. Historians then may well be scratching their heads in amazement that the governments of the day could have been so irrational.

3.12 Global governance

Is the UN planning to control the world, including Australia?

United Nations (UN) Secretary General Ban Ki Moon said at the Cancun, Mexico, UN Framework Convention on Climate Change, Conference of the Parties: ‘We need to fundamentally transform the global economy – based on low-carbon, clean energy resources.’

In 2008, US Presidential candidate Obama also promised he would ‘fundamentally transform’ America; his transformation has resulted in skyrocketing debt, sustained joblessness and plummeting falls in his popularity at the polls.

In Cancun delegates claimed that climate change is ‘an economic and social crisis, a political crisis, a food and energy crisis, and an ecological crisis.’ They called for justice: ‘climate justice, ecological justice, economic justice, gender justice and historical justice’ (meaning that they are victims of climate change caused by rich nations). They concluded their Marxist diatribe chanting, ‘Let’s globalize the struggle! Let’s globalize hope!’

As the famous American essayist H.L. Mencken remarked: ‘The urge to save humanity is always a false front for the urge to rule it.’

The UN operates across a wide range of subjects and attempts to influence all national governments. What is less known is their attempts to influence local governments. The UN group International Council for Environmental Initiatives imposes their Agenda 21 on local councils that have been perpetrated by environmental activists, collecting money to impose their views of ‘sustainability’.

A *Natural News* article noted:

In the 1990’s the UN’s World Health Organization launched a campaign to vaccinate millions of women in Nicaragua, Mexico and the Philippines between the ages of 15 and 45. The stated purpose was to protect against Tetanus or Lockjaw, a painful sometimes lethal infectious reaction to external wounds or cuts. However, the vaccine was not given to men or boys, who are more prone to wounds from cuts and rusty nails than the ladies. Noticing this anomaly, Comite Pro Vida de Mexico, a Roman Catholic lay organization became suspicious and had the vaccine samples tested. The tests revealed that the WHO Tetanus vaccine used to inoculate women of child bearing age contained human Chorionic Gonadotrophin or hCG, a natural hormone that is secreted in the initial stages of pregnancy, but when combined with a tetanus toxoid carrier stimulated antibodies rendering a woman incapable of maintaining a pregnancy. None of the women vaccinated were told. In 1995, the Catholic Women’s League of the Philippines won a court order halting a UNICEF anti-tetanus program because the vaccine had been laced with B-hCG. The Supreme Court of the Philippines found the surreptitious sterilization program had already vaccinated three million women, aged 12 to 45. B-hCG-laced vaccine was also found in at least four other developing countries. Just to prove their point in the Philippine high court, hCG was found in blood samples from some of the vaccinated women. None of the women were pregnant. It is impossible for a woman to have the hormone hCG unless she is pregnant, unless of course, it was injected along with a carrier.

The UN is used to great effect by numerous lobby groups, activists and even religious groups to further their views and agendas. For instance, the Organisation of the Islamic Conference is demanding through the UN that Islam not only be allowed to make absolutist claims from *The Koran* and their faith, but that it should

be officially shielded from any criticism as a result. Their declared intention is to criminalise opinions that differ with their faith.

The United Nations Human Rights Council is a contradiction in terms: most of the Council members have some of the worst records of human rights in the world. For instance, Libya was elected to the Council despite numerous complaints that the country was unfit to serve on the international rights body – a month before Freedom House listed it alongside North Korea as one of nine countries with the ‘worst human rights conditions’ in the world. The General Assembly secret ballot produced 155 votes in favour of adding Libya to the council, significantly more than the 97 votes needed.

Andrew Bolt noted:

What did the United Nations do about [Libyan dictator Gaddafi] whose regime has sponsored terrorists, blown up a Pan Am jet over Lockerbie, bombed a Berlin disco, armed the IRA, looted Libya’s national wealth, rewarded Holocaust-deniers, jailed dissenters and ruled by fear since Gaddafi, a colonel, seized power in a coup more than 41 years go? The UN: elected Libya as chairman of the organising committee for its 2009 Conference on Racism; made Gaddafi’s daughter Aisha a ‘Goodwill Ambassador’ for its development program, despite her family’s thievery of Libya’s wealth, her endorsement of the IRA and her work on the defence team of Iraq’s genocidal leader, Saddam Hussein, whom she called ‘an elected president who was wrongly hung’; voted this month on just one resolution damning just one Middle Eastern government. No, not Gaddafi’s Libya, but democratic Israel, censured by 14 votes to just the United States’ veto against, for building apartment blocks in East Jerusalem; when Gaddafi in 2009 addressed the United Nations General Assembly he was allotted the usual 15 minutes to speak but ranted on for an hour and half, with another Libyan given the honour of chairing this session. Need I go on? The fact is the UN has become a mutual support society for the likes of Gaddafi. So completely has the UN’s moral paradigm been inverted that even Iran, an Islamic fascist regime, was last year voted onto the UN’s Commission on the Status of Women. Yes, Iran, which punishes women who do not wear a veil in public, is now a UN guardian of women’s rights, even here (in Australia).’ The two words ‘United Nations’ could fairly be described as an oxymoron.

Are Muslims also planning to control the world, including Australia?

Another mooted attempt to ‘take over the world’ is not an NGO, but a religion: Islam. A recent US book described a typically alarming forecast: ‘Within a few decades America will be standing alone against a fascist Islamic empire that encompasses not only the Middle East and a lot of Asia, but most of Europe as well. This empire will not come about by military force but because Muslim immigrants will take over many European countries from the inside.’

An article in a British publication commented:

The Muslim average of 8.1 children per family verses 1.8 for Brits (lower than the approximate 1.9 sustainable rate) produces a net gain of 6.3 children per family. Keep that up over three generations of voting age adults and the social, political, and financial control of Western democracies by Muslims is not only likely, it is inevitable. Population experts say the trend is irreversible. Within 50 years, the European Union will be under Muslim control and Europe will cease to exist as we know it.

Another article explains:

Right under our noses Muslims are uniting against us, and they are not hiding their goal of world domination. Unfortunately, most non-Muslims only understand a traditional war, like WWII. They do not understand how Muslims are waging a lawful, non-violent war across the West, in which they use our freedoms against us to slowly takeover. Muslim countries don't have democratic governments; their religion and their religious elite dominate their government; only Sharia law is allowed. Islam instructs all Muslims to force all people in the world to convert to their faith.

Islamic supremacist Lutfur Rahman was elected Executive Mayor of the London Tower Hamlet council in 2010, with control of a billion pound budget. Previously, Mr Rahman had been sacked as the Labour candidate after claims that he signed up entire families of sham 'paper' Labour members to win the party's mayoral nomination. Mr Rahman, with help from his fundamentalist links, won the Mayoralty as an independent. As mayor no-one can sack him, except the voters in four years' time. Voting turnout, at 25.6%, was unusually low, with most voters, particularly the white majority, unaware of, indifferent to, or turned off by the process. Rahman received about 13 per cent of Tower Hamlets' vote. It was not a victory for any sort of democracy. It was the execution of a careful and sophisticated plan by a small, well-financed and highly-organised cabal to seize control of a London borough.

British Prime Minister David Cameron, in a speech to the Munich Security Conference in February, 2011, highlighted the importance of reversing a trend that has increasingly seen different cultures living separate lives, apart from each other and the mainstream. Britain, he pointed out, has been too tolerant of segregated communities behaving in ways that run counter to democracy and liberal values. Mr Cameron set out a raft of measures including immigrants learning English and the basics of a common culture and curriculum, withholding public money from organisations opposed to democracy, free speech, integration, human rights, and preventing such bodies spreading their credos in universities and prisons. Claims that terrorism arises from poverty and discrimination suffered by Muslims ignores the fact that many of those found guilty of terrorist offences in the UK and elsewhere have been middle-class graduates. The problem is the ideology of extremism, not the religion of Islam. With Britain's Muslim community growing at ten times the rate of the general population, accounting for 2.4 million out of 61 million people, it is essential, as Mr Cameron said, that people of all backgrounds feel comfortable saying 'Yes, I am a Muslim, I am a Hindu, I am Christian, but I am also a Londoner or a Berliner too.'

An article about multiculturalism written by Andrew Bolt included:

How mad has multiculturalism made us? Dangerously so, when it's had us financing even an Osama bin Laden fan club. The Islamic Youth Movement used to meet in Australia's biggest mosque, the one in Lakemba presided over by Sheik Taj Din al-Hilali, for years the Mufti of Australia, despite praising suicide bombers, backing the Hezbollah terrorist group, calling the September 11 attacks 'God's work against oppressors' and saying uncovered Australian girls invited rape. The IYM published a magazine called *Call to Islam*, edited by Bilal Khazal. It interviewed — and praised — al-Qaida chief Osama bin Laden, who'd already declared war on the West and was planning his September 11 attacks on the United States. Khazal's youth movement was given three government grants. Two were multicultural grants totalling nearly \$7,000 from the NSW Government, to teach its supporters not English but Arabic. Chancellor, Angela Merkel, three months ago declared the multiculturalism policy had 'failed, utterly failed'. The duty of governments seems clear. It's not, as the Victorian Multicultural Commission stupidly insists, 'to encourage all ... culturally and linguistically diverse communities to retain and express their social identity and cultural inheritance'. Our governments' most fundamental duty is not to keep a community divided into tribes, but to defend the shared values that are our only hope of making a one out of many.

An Australian Government White Paper on terrorism in 2010 noted: ‘The scale of the problem (Muslim immigration) will continue to depend on factors such as the size and make-up of local Muslim populations, including their ethnic and/or migrant origins, their geographical distribution and the success or otherwise of their integration into their host society.’ By early 2011, twenty Muslims had been jailed in Australia on terrorist-related charges, apart from Muslims having a near monopoly on racial hate-preaching, and radical Muslim preachers whose teachings are against Australian law and anathema to Australian culture.

Consider the following points from two Muslim texts (there are several versions):

- *The Koran* Surah 9:5: ‘Fight and slay the [Christians] wherever ye find them and seize them, confine them, and lie in wait for them in every place of ambush.’
- Ayatollah Khomeini, Iranian Shiite mullah: ‘Islam makes it incumbent on all adult males to prepare themselves for the conquest of countries so that the writ of Islam is obeyed in every country in the world.’
- From the *Hadith* 9.4, a collection of Muhammad’s sayings and deeds, known as the Traditions, which is commonly taught in Australia as a part of Islamic theology: ‘Wherever you find infidels kill them; for whoever kills them shall have reward on the Day of Resurrection.’
- *The Koran* 33:36: ‘It is not fitting for a Muslim man or woman to have any choice in their affairs when a matter has been decided for them by Allah and His Messenger. They have no option.’

The Australian reported:

Australian-born convert to Islam, Ibrahim Siddiq-Conlon points heavenwards to emphasise his message for the governments of Australia — there is no God but Allah and only his laws should be obeyed. ‘My attack is on the Prime Minister of Australia,’ he said yesterday. ‘I hate the parliament in Canberra. I want to go straight for the jugular vein and advise the parliament that they have no right to legislate. They should immediately step down and let the Muslims take over.’ Siddiq-Conlon is the self-anointed leader of a group called Sharia4Australia, which is pushing for the introduction of Sharia courts as a first step towards achieving Islamic law. ‘One day Australia will live under Sharia; it’s inevitable,’ he said. ‘If [Australians] don’t accept it, that’s not our problem. We hope, and our objective is to have a peaceful transition, but when you look at history that has never been the case. There’s always been a fight. It is inevitable that one day there will be a struggle for Islam in Australia.’ A Masters graduate in architecture from the University of Technology Sydney, Siddiq-Conlon formed Sharia4Australia last year. He said he had three objectives. The first is to persuade Muslims they must hate ‘taghoot’, the worship of any God other than Allah, which includes democracy. ‘They must hate it, speak out against it. And, if that doesn’t work, take action against it.’ His other objectives are to advise elected governments they have no authority to rule, and to educate non-Muslims on the benefits of Sharia, including punishments such as stoning adulterers and severing the hands of thieves.

Many aspects of Islam, both in theory, in *The Koran* and in practice, are not compatible with Australian law or culture. Examples include Sharia law, treatment of women, and no recognition of or respect for other religions. Terrorist attacks by extremist Muslims have occurred in many countries around the world, the closest being in Bali where many Australians were killed.

The Straits Times on the claim by Lee Kuan Yew, published in his new book *Hard Truths to Keep Singapore Going*, explained that Muslim integration in Singapore is failing. Mr Lee said:

I have to speak candidly to be of value, but I do not wish to offend the Muslim community. I think we *were* progressing very nicely until the surge of Islam came, and if you asked me for my observations, the other communities have easier integration – friends, intermarriages and so on, Indians with Chinese, Chinese with Indians – than Muslims. That’s the result of the surge from the Arab states. [...] I will say today, we can integrate all religions and races except Islam.

On the other hand many Muslims have been in Australia for over a century and unlike *Siddiq-Conlon* have assimilated within the diverse Australian culture (see *Appendix A*). It may be that the most significant issue for Australia is dealing with the extremists rather than broader issues relating to the majority of Muslims who have or are assimilating into Australian society.

However, there are some disturbing statistics and trends that suggest problems are wider than extremists and a small minority. A 2009 report by the National Centre of Excellence for Islamic Studies, Social and Economic Conditions of Australian Muslims found that: unemployment among Muslims is two to four times the rates among other Australians; twice as many Muslims have no income; 15% own their own homes, compared with one-third of other Australians; 26% of Muslim teenagers are unemployed, against 14 per cent of non-Muslims; and 40% of Muslim children live in poverty, almost three times the national average.

On the other hand, migrants have contributed to the economic and social success of Australia. Some 44% of Australians were born overseas, or had at least one parent born overseas. Australia has avoided many of the problems relating to migrants in Britain, Germany and France.

But there is evidence of migrant problems in some Australian city suburbs: gangs, drug use and anti-social behaviour, almost exclusively from young men. Only 1.71% of Australians identify themselves as Muslim, but represent far higher percentages of crimes. As well as Muslims, other groups such as some Pacific Islander and Somali refugees are over-represented in crime figures. Often problems relate to cultural differences more than racial, and lack of respect for, or understanding of, Australian values. Some immigrants prefer to retain the language of their countries of origin and congregate in areas that become ghettos, thus exacerbating cultural separation and likely polarisation.

It is vital to recognise that multiculturalism is not just a description of people drawn from many different ethnic and religious backgrounds, and certainly not confined to some Muslims, Lebanese, Aboriginals and Pacific Islanders.

Multiculturalism is an ideology, supported by government funding, which has people of different ethnic backgrounds encouraged to maintain ‘their’ cultures. It has the effect of entrenching differences, rewarding the least integrated and inhibiting integration. To make matters worse, government members and media often misrepresent multiculturalism, attempting to shut down debate on this subject that is a vital component of Australia’s future.

Are the greens planning to control the world, including Australia?

Another attempt to create global governance comes from the Green Party. This is described in an article by Kevin Andrews (Coalition Shadow Minister), *The Greens’ Agenda* (see *Appendix B*). Whilst the Greens are generally viewed as nice, soft, caring people, the reality is they are anti progress and anti people, with a covert objective ‘to transform politics and bring about Green government.’ Andrews states: ‘This objective involves a radical transformation of the culture that underpins Western civilisation. What is also at stake is

the economic system that has resulted in the creation of wealth and prosperity for the most people in human history.' The Greens' documents speak of 'participatory democracy' as one of their foundation principles, but they favour global and central decision-making; hence the creation and expansion of international bodies, including the United Nations and new world environmental courts.

The Greens have some rich and powerful supporters. The Australian Green party recently confirmed they received \$1.6 million from the founder of the Wotif online travel website, Graeme Wood, before the last federal election; very hypocritical given the fact that Greens denounce political donations. Mr Wood told Fairfax his disappointment with the major parties' stance on climate change and the environment motivated him to make the donation. Details of donations released by the Greens show two of the largest donors were militant trade unions. Construction union the CFMEU and the Australian Manufacturing Workers Union both gave \$30,000, while the plumbing division of the Communications Electrical and Plumbing Union gave \$10,000 (it would be interesting to know how many of these unions' members would support their fees being given to the Green Party).

Greens industrial relations policy calls for unions to have a central role in wage negotiations and other workplace matters, urges 'the promotion of collective agreements as the primary means of regulating employment' and demands the abolition of secret ballots before industrial action and improved right of union workplace entry. This raises the issue of what the Greens would enforce when they hold the balance of power in the Senate from July 1 2011.

As the President of the Czech Republic, *Vaclav Klaus* wrote in his book *Blue Planet in Green Shackles*: 'Today's debate about global warming is essentially a debate about freedom. The environmentalists would like to mastermind each and every possible (and impossible) aspect of our lives.'

How significant are these issues for Australia? Is it all or mostly scaremongering? Is it a dangerous threat? Are these the elephants in the room that government is studiously ignoring? What, if anything, should the Australian government be doing about these and other possible such dangers to Australia's freedom and prosperity?

Current evidence suggests Australian governments are simply looking away and concocting ever more politically correct answers as each issue arises.

3.13 NGO influence

Consider one example of influence by a Non Government Organization (NGO): the world's largest, richest environmental campaigning group, the WWF (formerly the World Wildlife Fund) announced a scheme to preserve an area of the Amazon rainforest twice the size of Switzerland. Amazonia is one of the world's major environmental concerns because it is the world's most bio-diverse area of rainforest that contains the world's largest land-based store of carbon dioxide gas (CO₂). Any serious threat to the forest can be portrayed as a major contributor to global warming. WWF's campaign to have 220,000 square kilometres of Borneo's rainforest designated a protected area is a major contributor to a better environment.

However, a hidden agenda of the scheme is emerging. The WWF and its partners plan to share selling carbon credits worth \$60 billion enabling firms in the industrial world to carry on emitting CO₂ just as before. Critics of the WWF have calculated the net effect would simply be to make the WWF and its partners much richer while making no contribution to lowering overall CO₂ emissions.

WWF already has £400 million yearly income, most of it contributed by governments and taxpayers. The 2007 report of the UN's Intergovernmental Panel on Climate Change (IPCC) claimed that 40% of the Amazon forest is threatened by global warming based not on any scientific evidence, but simply on WWF propaganda. Check the WWF website and you'll find whimsical text and pictures aimed at appealing to people's caring and worrying nature – then the ubiquitous request for donations to help them save that species, forest, frog or whatever. No mention is ever made as to what proportion of each donation would be spent on other agendas.

In 1993 the very influential *Club of Rome* published *The First Global Revolution*. According to this book, divided nations require common enemies to unite them, 'either a real one or else one invented for the purpose.' Because of the sudden absence of traditional enemies, 'new enemies must be identified.' 'In searching for a new enemy to unite us, we came up with the idea that pollution, the threat of global warming, water shortages, famine and the like will fit the bill'. 'All these dangers are caused by human intervention, and it is only through changed attitudes and behaviour that they can be overcome. The real enemy then, is humanity itself.' According to its website, the *Club of Rome* is composed of scientists, economists, businessmen, international high civil servants, heads of state and former heads of state from five continents.

These are just two of numerous examples of some NGOs applying at least partly hidden agendas to manipulate and increase their control.

3.14 Bureaucracy and Convoluted Government Management

Most Government Departments become increasingly bureaucratic over time. The Sir Humphrey Appleby mindset – named after the head of the Civil Service in the brilliant British comedy, *Yes Minister* – becomes entrenched in many influential government leaders. Many factors cause this creeping disease that often results in additional and unnecessary costs, delays, poor decisions, excessive intrusion into people's lives, manipulation of data and generally sub-optimal results. This section considers just a few indicative examples.

Most government department staff are competent and diligent. But working within a culture of bureaucracy where leaders regularly demand bureaucratic complexity is enough to defeat even the most sincere staff member trying to promote a better approach – pity these staff.

An editorial in *The Australian* provided an insight into the world of bureaucrats: 'In the real world, \$10 million builds forty large, family homes or 100 comfortable, three-bedroom bungalows. In the world of Canberra bureaucracy, it merely covers the administrative costs of fifteen home loans'. An allied example was noted:

The funds set aside to construct and renovate houses in the remote Aboriginal community of Wadeye are going towards administration and company costs. A leaked draft budget, prepared by the company contracted under the federal government's Strategic Indigenous Housing and Infrastructure Program to perform the work at Wadeye, allocates \$20.642 million for administrative and establishment costs. According to the government's published budget for SIHIP, the Wadeye package, which consists of 105 new dwellings, 167 refurbishments and 28 rebuilds, would cost \$65.375m, putting the administration and establishment costs at 31.6% of the total budget. The Coalition's indigenous affairs spokesman, Nigel Scullion, said this was before the guaranteed profit for the company of up to 20% that was written into the contract and the project management fees of 8% were deducted from the program budget.

An Australian National Audit Office report tabled in the federal parliament noted most of the \$178 million pledged for 106 projects through the Better Regions program was promised to marginal seats in rural areas. Only thirty-five projects had been completed by 30 September 2010, nearly three years after approval. Administration of the scheme had serious shortfalls: one South Australian council was promised \$275,000 for a business centre that had already won a similar grant from the former Howard government. The Department of Infrastructure, Transport, Regional Development and Local Government took 10 months to notice that two business centres in Adelaide Hills, each approved for \$275,000 in funding, were one and the same. In four cases, the department did not even know which politician had promised the projects it was funding. Eight projects were approved even though the department had rejected them from a similar Howard government scheme in 2007, on the grounds they failed a value-for-money test. The audit report found the incoming Rudd government drew up funding guidelines for the *Better Regions* program six weeks after it had announced the successful projects, during the election campaign.

The objectives of taxation have become confused and opaque

Consider part of a July 2002 address by Michael Carmody, Commissioner of Taxation:

On the subject of complexity of law [...] I would love to have simple law to administer. But I do not believe there is such a silver bullet. This is because the objective of simple laws has a history of running up against the objective of achieving equity, often reflecting demands for recognition of special cases legitimately

raised by industry and others. The law also necessarily reflects the complexity of the commercial and social environment it operates within. Let me illustrate. When the GST was introduced in Australia, it was necessary for the Government to weigh up these competing factors. We now have in excess of 540 pages of GST legislation but only 95 pages covers the basic rules of the GST. That is 95 pages cover the basic rules as to when and how GST arises and who is liable to pay it; when and how input tax credits arise and who is entitled to them; how to work out payments and refunds of GST; and when and how the payments and refunds are made. Most of the remaining pages deal with equity issues (such as food and charities), rules to deal with complex arrangements in certain industries (such as financial services and insurance) and rules to deal with other special circumstances. The increased use of the tax law as a vehicle to deliver social benefits also adds to the length and complexity of the law. However, I can't see too many people prepared to give up entitlements to these benefits in the interests of shortening the *Tax Act*.

The points made by Carmody represent a very small fraction of a tax system that has evolved into some 16,000 pages of federal tax legislation. One key problem is that very few, if any, people involved in creating and applying tax law have an incentive to simplify the law: it is arguable that most have more incentive to make tax law even more complex. A simple tax system would reduce or remove the incomes of an army of people involved in each step of the convoluted process. Another basic question is: does Australia still want to apply socialist principles of 'achieving equity' through its tax system as well as pandering to special interest groups, often associated with political 'pork barrelling'?

Health reform is bogged down in squabbles over who will pay

Rohan Mead, Chairman, Business Council Australia stated research conducted by the BCA underlines that health is critical to the prosperity of individuals and for the economy. Poor health and disability prevent both sufferers and carers from participating fully in education and the workforce. It drives earlier retirements and leads to more absenteeism and lower productivity. People are living longer, but with more illness. Chronic disease costs about \$30 billion a year (3% of GDP) in direct costs and lost productivity. Yet up to one third of this is preventable. The healthcare sector costs are growing, currently over \$113 billion annually, or 9% of GDP, employing some 1.3 million people.

Ensuring efficient allocation of resources within our increasingly capacity-challenged economy, the health sector's efficiency and effectiveness is vital. Considerations of efficiency, effectiveness, productivity and achieving value for money are largely lost in political debate about who will pay for health. Experts estimate that up to 20% of resources used in the health sector are wasted, either through treatment in inappropriate settings, duplication, errors or administrative inefficiency. This is reinforced by research showing relatively low rates of productivity improvement and claims of innovation being stifled by bureaucratic processes. Poor morale ensures that too many highly trained health professionals, such as nurses, leave the profession.

Another example reported in February, 2011: the Australian Health Practitioner Registration Agency was failing to complete registrations on time. Some of the 290,000 health practitioners and some physiotherapists and doctors had been forced to stop working. Dozens of nurse graduates were arriving for their first jobs, but could not start because their registrations were not available.

Australian Defence challenges Gosplan and Yes Minister

Henry Ergas, a regulatory economist, wrote in *The Australian*:

[Defence] is a world of central planning without a central planner, as endless committees blur responsibility, ensure there are few penalties for being wrong or rewards for being right, and entrench a culture in which to get along is to go along. This week's saga, revolving around the navy's inability to provide a single amphibious ship, highlights the resulting pathologies. How can it be that there were 'insufficient resources to address shortcomings' in the ships' maintenance when the department's 2009-10 annual report says cost reduction targets in maintenance were 'over-achieved', that is, exceeded by \$200 million? How is that it has taken since 2006, when "competence in the System Program Office had fallen well below an acceptable level", to rebuild that competence, especially given the 60% increase in the number of senior Defence staff over the past decade? Defence spends about \$26.8 billion a year, close to 2% of national income, and directly or indirectly employs 1% of our labour force. The aim of this spending is to be able to defend Australia from attack. The reality is of frequent bungles. Baseline defence funding, excluding supplementation for operations, increased by more than 50% in real terms in the decade from 2000/01. The 2007 Defence Management Review concluded that the 'comparative wealth' that growing funding has provided Defence 'undermines respect for cost and efficiency' With no sensible mechanism for setting spending priorities, it will not take long for the force structure to become unviable. Averting that outcome requires dramatically better processes for taking defence decisions.

System or systemic failure?

The Queensland Health payroll fiasco is an example of exceptionally poor management even by normal government standards. An inspection of how this major IT project was undertaken reveals that many of the normal checks and balances for a project of this type were ignored or over-ridden. For instance, failing to run the new system in parallel with the old system several times until the new system produced correct results, identical to the existing system – the first full 'test' was in fact a live run which failed dismally. By then it was deemed impossible to revert to the old system. Months later there were still numerous errors with many staff underpaid or not paid at all. And, to cap it all, the accountable senior managers and politicians (in particular, the Minister) neither resigned nor were sacked. Another example is the appalling Roof Insulation program managed by government that resulted in massive expense, rorts and several deaths before it was cancelled.

Every government group, project or program involves purchasing, or supply management to use its modern extended name that takes account of the full 'end-to-end' process. The annual total of government purchases of services and products in Australia is over one trillion dollars, depending on exactly what is included as a 'purchase'. Stating the blindingly obvious, Australians expect the very best levels of competence and processes to ensure all purchases are optimal. A review of recent Defence Department purchasing reveals massive waste, the Building the Education Revolution (BER) was riddled with disgraceful management and purchasing, as was the roof insulation program.

Problems in supply-management can include corruption, but fortunately this is quite rare in Australia, although it is a major issue when purchasing from overseas where expectations of kick-backs are often the norm.

Most people involved in government purchasing in Australia are both competent and diligent. Problems of unsatisfactory purchases usually concern the purchasing processes that have invariably evolved over many decades. Current purchasing systems such as the commonly used German SAP have become extremely complex; operating the system often becomes an end in itself rather than optimising a particular purchase. Horror stories abound, such as NASA spending \$4,382.50 to purchase thirty-four pencils, and before

Federal Reinvention, government processes and red tape were so costly that buying a \$6.00 hammer cost the government about \$400.00.

Focus on the rear-view mirror

Probably the two areas that create the most complex, bureaucratic and unproductive effort are current historic accounting requirements and accounting for the Goods and Service Tax (GST). Accounting has become so complex that compliance work is the largest part of most accounting effort. The great majority of the detail is totally and utterly useless from a productivity and planning viewpoint, except in the occasional case where fraud is detected. Even with fraud, were it not for the horrendous complexity of accounting systems it is likely that fraud would have been noticed much sooner. Supply management suffers from similar problems, and in any case accounting for purchases has to obey accounting rules. The really useful part of accounting (understanding the financial aspects of a business, organisation or government and quantifying strategies and plans) becomes confused with the complexities of historical accounting and the mass (or should that be ‘mess’?) of associated regulations. These regulations have evolved since double-entry book-keeping was invented (the first written description of double-entry book-keeping seems to be a 1458 manuscript by an Italian, Benedetto Cotrugli).

Most accountants’ work relates to the past, providing historical records and financial measurement of past performance. In most cases accountants operate up to sixteen months behind. Much of their work is compliance for which they really are servants of the tax office. Many of the more capable accountants find compliance work is very tedious and long to branch out into various challenging aspects of planning: cost/benefit analyses, financial modelling, scenario development and more – the really interesting stuff that requires different skills plus more advanced and broader levels of thinking.

Many corporations have fallen into the same trap as government departments and allowed their information technology (IT or computer) departments to introduce ever more complex supply management systems. Rarely do the additional complexities result in overall savings; the opposite is often revealed if a full audit is carried out. Government departments rarely carry out full post-project audits, knowing these often reveal failure to produce the savings promised in the proposal preceding the system or system change purchase.

Talking to private company staff who are involved in supplying government departments can elicit comments, often including expletives, about their frustration and annoyance at delays, waste and bureaucracy. Again, pity the government department staff on the receiving end when they have no choice but to follow official procedures.

Are the Australian Public Service Code of Conduct and Values ignored?

Many issues noted in this report raise questions about the *Australian Public Service (APS) Code of Conduct and Values*: ‘APS employees are required, under the Code of Conduct, to behave at all times in a way that upholds the APS Values.’ The APS Values include: ‘The Australian Public Service: has the highest ethical standards; is openly accountable for its actions, within the framework of Ministerial responsibility to the Government, the Parliament and the Australian public; is responsive to the Government in providing frank, honest, comprehensive, accurate and timely advice and in implementing the Government’s policies and programs.’

Staff in one government department made no secret of the fact that their key driver was ‘thou shalt support thy Minister at all times’. Their Minister, a typical career politician with few qualifications and no business or management experience whatsoever, reacted immediately to any media comment about his department. The Minister simply told his staff to ‘fix’ the problem. He usually rubber-stamped his department’s budgets (which had already been agreed with Treasury) and had little interest in the department’s plans or performance criteria.

What sort of staff behaviour would you expect in this situation? It’s difficult to think of any positives, but easy to list numerous negatives. If a member of staff spots a major problem, they could report it to their manager who is unlikely to want to ‘rock the boat’. Or he or she could become a ‘whistle blower’? Most countries’ laws, including Australia’s, provide little protection for ‘whistle blowers’; support often relies on media publicity, but that can be a mixed blessing – recall Dr Patel’s disgrace, at Bundaberg Hospital: the staggering incompetence and the agonies the courageous nurse, Toni Hoffman, was put through for years after ‘blowing the whistle’.

Typically bureaucracy involves ‘make work’, ensuring rules are not broken, step-by-step processes are followed exactly and an almost total lack of opportunity for innovation. But as one civil servant commented: ‘The pay is OK, the only time things get rushed is when the Minister demands a fix for the latest media leak, superannuation is great and job security is even better. Can’t be bad, eh?’ Perhaps this last point explains why most staff at government call-centers are invariably pleasant, polite and helpful within the limitations of the processes and regulations they are asked about.

Reiterating, most government staff are competent and work hard. However, with rare exceptions, the overly complex processes that have evolved in government departments over many decades invariably prevent even the best, most capable and most innovative staff from making significant improvements. The natural order of government appears to be entropy; descending to the maximum degree of complexity.

Some government staff find they can live within such an environment and gain satisfaction from aspects of their work. Others depart out of utter frustration. Peter’s Principle – everyone gets promoted to their level of incompetence – often prevails.

Bureaucratic flood damage

Jennifer Marohasy is a biologist and adjunct research fellow in the Centre for Plant and Water Science at Central Queensland University. The following is the beginning and end of a long story she wrote recently:

While residents of Wagga Wagga scrambled to save their belongings from rising flood waters there was a rumour circulating that the crisis was exacerbated by bureaucratic incompetence, in particular that Snowy Hydro was releasing environmental flow water into the already flooded Murrumbidgee River. [...] So I sent some more queries back into internet world and all was finally revealed. A most reliable source and someone who recently attended a meeting with David Harris, the boss of Snowy Hydro, explained that somewhere in the range of 4,000 to 5,000 mega litres of water per day would continue to flow from the Snowy Hydro System, regardless of downstream impacts, because of environmental flow obligations in the Snowy Hydro operating licence. Yep! Blowering Dam may be out of control, the water belting out of Burrunjuck, the Central Murray likely to go under again as early as Wednesday, but because of a formal agreement between NSW Office of Water and Snowy Hydro, involving an obligation to South Australia, approximately 500,000 mega litres, equivalent to one Sydney Harbour of water, must be released as soon as possible as environmental flow. In short, senior bureaucrats have signed off on an agreement, which

they are now honouring, which requires environmental flow releases into the already swollen Murray and Murrumbidgee Rivers. Of course these men in suits don't live in the Murray Darling Basin and they would continue to receive a salary, paid into their Sydney bank accounts, regardless of how many extra wheat fields flood and extra homes are destroyed.

Subsequently Jennifer added:

What I didn't know back then, but I do now, is that the formal agreement facilitates derivative trading by Snowy Hydro on the electricity market with the profits flowing to the Commonwealth, NSW and Victorian governments. [...] Indeed it is the ultimate in hypocrisy for Minister Burke to be insisting farmers give back water allocations under the new planning scheme to save the environment, while his corporation wastes water in derivative trading on the electricity market.

The good old days – before complexity entangled all

A colleague was head of Works in Papua New Guinea whilst Australia was still involved in PNG's government (PNG became independent in 1975). He describes how he managed all Works for a huge and wild area with very basic infrastructure, few staff and no regulations. He had a small budget and minimal guidance except to provide the essentials (including escorting Queen Elizabeth during two visits). He asked, 'why can't governments do as good a job given their vastly greater resources?' The answer is simple: stupendously complex systems, excessive regulations and bureaucracy.

Fortunately, there are examples of government departments being managed well with capable staff delivering efficient services. These examples provide clues about how to overcome the malaise. A series of large departments were headed by a career bureaucrat whose natural instincts were to follow sound management practices, including leadership and excellent people-management. She resisted attempts to bring her into line with more normal government management approaches through sheer force of personality, intellect, delivering the requisite results within budget and stone-walling. Oh that there were more of her type either already working for government or prepared to shift from private industry.

Appendix G is a joke distributed on the Internet. It tells the story of God directing Noah to build an ark within six months before he sends floods to Australia. When God called six months later, Noah apologized abjectly, describing a long list of bureaucratic delays and complications that had prevented him even starting to build the ark. 'So, forgive me, Lord, but it will take at least ten years for me to finish this Ark.' Suddenly the skies cleared over Australia, the sun began to shine, and a rainbow stretched across the sky. Noah looked up in wonder and asked, 'You mean you're not going to destroy the world?' 'No,' said the Lord. 'The Australian Government beat me to it.' Biting humour is a trademark of writers and cartoonists used as a means of demonstrating important issues.

It would be unfair and wrong to imply that all government systems and results are failures. There are numerous examples of successes. However, examining these successes often uncovers the result of government staff and contractors working outside of the official systems and procedures, applying their own initiative and 'bending' rules to enable a better result. Other successes involve smaller, less complex and less interconnected systems.

3.15 Levels of Government

Australian government structure is similar to other federations such as the United States, Canada, Germany, India and Malaysia, all of which have three levels of government: local, state and federal.

Until the 1850s, the six Australian colonies were governed by a non-elected governor appointed by the British Government in London. After 1851 the British Government began to hand over selected powers to the colonial governments in each colony. These governments evolved a system based on the British system which included elected members of parliament, an executive and a court system. During the 1890s the colonies' people voted to hand over some rights and power to a central executive government, creating the Australian federation. In 1900 the Australian Constitution was agreed and in 1901 Australia's federal and state parliaments began writing laws and their executive governments began administering them.

In 1911 the Australian Executive passed laws to create the Northern Territory (NT) and the Australian Capital Territory (ACT). These territories are not states and are still partly controlled by the federal government. The ACT is unique in Australia because it has amalgamated local and state functions.

A question asked recently concerning why Australia has three levels of government elicited an answer from a government department:

As to whether or not Australia needs three levels of government depends on what its people choose to have. Since they have approved that they would have three levels of government, then that means they see it as the most appropriate form of government. What is important to note is that this is what is provided in their constitution and until such constitution is amended, then they would continue to have three levels of government in a constitutional monarchy form of government under a parliamentary democracy.

Three levels of Australian government is an historic relic

Think for a moment about what government structure would be set up if there were the luxury of starting with a 'clean slate': would there be one, two, three or more levels of government? Common sense says one level is impractical except in a communist country or dictatorship where party apparatchiks reporting to the central command direct local events. History shows there are always local factors that are best resolved and managed at a local level, and there are always national issues. Four levels clearly would be ludicrously complex – only an academic bureaucrat could devise such a scheme. So the choice seems to come down to two or three levels.

A general rule in physics is that complexity increases as the square of the number of items, not linearly. So to increase from 2 to 3 usually increases complexity by 3×3 divided by 2×2 – i.e., 9 divided by 4 which, expressed as a percentage, is 225%. Linear increase would be 3 divided by 2 is 150%. Some would say in the case of levels of government, complexity increases as the cube: 27 divided by 8 is 337.5%. That sounds like major scope for reducing complexity.

Starting with a 'clean slate', what would be the advantages of three levels as against two levels? For instance, why would there be a need for different standards for water, education, health, highways, hazardous chemicals or electrical safety across Australia? Obviously, not only are there no advantages, but potentially major disadvantages such as confusion for users and tradespeople shifting from one State to another and, of course, duplication of bureaucracies. The people and industries in Australia, wherever they are, have the same requirements for regulations.

Consider water management, such as for the Murray-Darling basin, as described in *Section 3.10*. The current imbroglio is largely a result of different States pandering to their local lobbyists trying to get a bigger share of a limited resource, followed by each State trying to get more than neighbouring States. How much better a national water plan based on balanced needs of users, efficient use of water, and sound weather and climate forecasts.

Numerous comparisons have been considered: it appears the only significant argument in favour of three levels of government is to increase employment numbers. But what is the point in having more people doing unproductive work and creating confusion?

Are there advantages to having States and Territories, apart from sport and nostalgia?

Each State and Territory has some unique aspects, but a wide-ranging objective assessment has revealed no significant aspect of government that could be managed better by a State or Territory government than by national or local government. Naturally, the States and Territories would argue differently from a viewpoint of self-preservation. States may also note examples of abysmal Federal management, some even worse than their own.

Competition between States is healthy and fun in sport where all teams play by the same rules. But how would sport competition work if each team played by different rules? There is considerable scope for competition between industries and services, but this is far better at local and national levels than State level.

A full assessment would fill many volumes and still result in disagreements. The unsurprising conclusion is that the only significant explanation for having States and Territories in Australia are historical. The cost of related duplication, delay and complexity is massive. Problems relating to different regulations for identical situations have not been quantified but are significant. The only disadvantages of removing state and territory levels of government would be disruptions during transition to two levels. The advantages of having only two levels would be major simplification, major cost-savings and no inconsistency in laws and regulations between States.

3.16 Justice

Justice has been defined as the concept of moral rightness based on ethics, rationality, law, natural law, religion, fairness, or equity, along with the punishment of the breach of said ethics. Another take on justice is that reactions to fairness are ‘wired’ into the brain. This is consistent with the notion that being treated fairly satisfies a basic need. Evidently a few people have brains with the ‘wrong wiring’. This section considers only few examples of a very complex subject and system.

All groups of humans since time immemorial – tribes, families, races, states *etc.* – have developed and applied systems of justice. Systems of justice have evolved over many millennia. A starving child who stole a loaf of bread in Britain only 200 years ago might be deported to Australia. Nowadays, that child’s parents would be in court for deprivation, the child would be counseled and welfare officers would oversee the child’s future relationships. The media would have a field-day.

Justice is said to be in the ‘eye of the beholder’, but in reality justice in recent times is defined by complex laws, many focusing on supposed human rights. Some of these laws are of dubious advantage to the general public, but ‘nice little earners’ for lawyers and the army of people involved in justice.

Justice systems build a momentum all of their own. Democracies appear to be more concerned with being ‘fair’ to criminals than victims – at least, this is the perception of most of the general public. Trendy lefties, urban liberals and many academics often drive new legal initiatives. Sometimes ‘justice’ goes to extraordinary lengths such as criminals in the UK are to be given four days a year off prison work – to celebrate pagan festivals. Prison governors have been issued with a list of eight annual pagan holidays and told pagan inmates can choose four to celebrate.

Justice delayed is justice denied

Most democracies have developed such complex systems of justice that criminals wait many months, and often years, after they have been charged before they go to court. *‘Justice delayed is justice denied’* is a legal maxim meaning that should legal redress for a party that has suffered some injury not be forthcoming in a timely fashion, it is effectively the same as having no redress at all. This principle is the basis for the right to a speedy trial and similar rights which are meant to expedite the legal system, because it is unfair for an injured party to have to sustain the injury with little hope for a speedy resolution.

Ask yourself: have you ever talked with anyone who is satisfied with Australia’s system of justice? How can that be, given that justice is meant to protect the general public and it was created by their representatives?

Prohibition of alcohol failed, but governments continue to apply it to recreational drugs

One very tricky issue is how to treat manufacturers, sellers and users of non-prescription, recreational drugs; yet another aspect of life in Australia with a long and complex history. The following points provide a far from complete insight into the evolution of two products considered drugs by some people, and used commonly by others: alcohol and non-prescription, or ‘recreational’ drugs:

- 7th century: prohibition of the use of alcohol under Islamic law.
- 14th century: accepted use of hashish for medicinal and therapeutic purposes.

- 1837: State legislation passed prohibiting Aboriginal access to alcohol.
- 1839: Britain starts first opium war against China to protect opium trade.
- 19th century: physicians prescribing legal opiates to women with 'female problems'
- 1908: a customs report noted that 'it is very doubtful if prohibition has lessened the amount of opium bought into Australia', and there was no tax revenue.
- 1920–33: prohibition of alcohol in the USA.
- 1920s–30s: international approach to drugs, overseen by the League of Nations.
- 1930s: all US states had some regulation of cannabis.
- 1960s: illicit drug use in Australia increased considerably, particularly of heroin.
- 2000 onwards: heroin supplies fall; many other drugs take their place.
- 2001: the National Drug Strategic Framework noted: 'Misuse of alcohol is the most significant cause of drug-related harm in Australia, second only to tobacco as a preventable cause of death and hospitalisation in Australia.'

Australian law as well as public attitudes are inconsistent with regard to alcohol, tobacco and recreational drugs. Self-interest is a major factor, in particular by people that consume a particular drug. However, there is no dispute that the direct and indirect costs caused by alcohol, tobacco and recreational drugs are huge, in particular health costs, and that alcohol and recreational drugs are a primary cause of crime. Social costs of alcohol abuse in 2004/05 were estimated to be over \$15 billion.

Every democracy has laws banning the sale of recreational drugs. These laws have been about as successful as prohibition of alcohol. Yet no democracy has had the courage to try another approach such as decriminalising drugs. Recall that the Chicago gangster, Al Capone went to Alcatraz prison for seven years, not for violence as a gangster, but because of his tax-evasion.

The massive and invariably growing number of crimes, criminals and prison populations is testament to the fact that the system of justice is not working at all well. Perhaps it is time to wipe the slate clean and develop a system that suits the needs of the general public now. Continuing to live with a system that has evolved and become increasingly complex and unsatisfactory over many centuries surely is not an option.

3.17 Economics and Financial Management

The global financial crisis (GFC) of 2007-10 resulted in the collapse of several large financial institutions, the bailout of numerous banks around the world by national governments and downturns in most stock markets. In many countries the housing markets also suffered, resulting in numerous evictions, foreclosures and prolonged vacancies. Many economists consider the GFC to be the worst financial crisis since the Great Depression of the 1930s. It contributed to the failure of key businesses, declines in consumer wealth estimated in the trillions of dollars, massive additional financial commitments incurred by governments, and a major decline in global economic activity.

The GFC was partly a result of the collapse of the property bubble in the USA and extreme commodity prices that formed the basis for trillions of dollars worth of 'financial instruments' that triggered systemic deleveraging in the finance sector. The finance sector had unrealistically inflated asset holding values to match the credit bubble. Governments then let them off the hook by buying those assets at book value and providing massive bailouts. The size of the debts they took on is the reason for the current sovereign debt crisis. Governments primarily had failed to adequately suppress the excesses of the finance houses that had seduced investors into believing they could enjoy wealth they did not earn – more like a casino than a investment market.

Greed and governments caused the GFC

There were two major causes of the current GFC: Governments failures and financial organisations' greed. A key starting point was the Clinton government repealing the Glass-Steagall Act that had prevented banks entering the speculation business, and then allowing the two largest mortgage organisations, 'Fannie May and Freddie Mac', to provide loans devoid of commercial realism. Many financial products were developed, in particular derivatives, that were little better than Ponzi schemes and not constrained by financial regulators. Credit agencies approved organisations that were a sham despite shrill warnings from a few economists. Banks, speculators and investors were making so much money that they convinced the various government authorities to tag along and turn a blind eye. In their rush to grab shares on the huge pre-GFC money-go-round, all too many speculators, including most financial organisations, ignored one of the world's greatest bankers, Baron Guy de Rothschild's words of wisdom: 'Making money doesn't oblige people to forfeit their honour or their conscience'.

Even now many of the chief culprits of these excesses are still lobbying government agencies to retain their ill-gotten gains and power. Recall several people published strident warnings about the multi-billion dollar Bernie Madoff fraud, only to be ignored by the very authorities that should have prevented it.

The *Wall Street Journal* commented on the Financial Crisis Inquiry report:

A [ten member] blue-ribbon panel investigating the 2008 financial crisis blamed failures in financial regulation, flaws in corporate governance and excessive borrowing as key elements leading to the meltdown. Commission Chairman Phil Angelides said. 'Despite the expressed view of many on Wall Street and in Washington that the crisis could not have been foreseen or avoided, there were warning signs. The greatest tragedy will be to accept the refrain that no one could have seen this coming and thus nothing could have been done. If we accept this notion, it will happen again.' The commission's final report found the crisis was caused by widespread failures in financial regulation such as the Federal Reserve's failure to stem the tide of toxic mortgages over the past decade. Corporate governance issues and 'an explosive mix of excessive borrowing' contributed to the crisis as well. It also points to governance breakdowns at firms

such as American International Group Inc., which made giant bets on the mortgage market, and Fannie Mae.

Note that the panel had dissenting members, splitting along party lines.

A parallel problem that led to the current GFC was excessive debts run up by most governments.

Now governments are trying to solve problems by printing money

Many economists consider the world's financial system remains at risk, and that stock markets may go through another major 'correction', as happened after the initial Great Depression of the 1930s. Considerations also include the current approach being applied by the Obama government in the USA: a series of 'quantitative easements', known in the vernacular as 'printing money', is viewed as unsustainable and likely to result in massive inflation and collapse of the US dollar, or at least major inflation followed by devaluation, as the US national debt grew past \$14Bn at the end of 2010.

The Washington Times reports:

President Obama's budget projects that 2011 will see the biggest one-year debt jump in history, or nearly \$2 trillion, to reach \$15.476 trillion by Sept. 30, the end of the fiscal year. That would be 102.6 percent of GDP – the first time since World War II that dubious figure has been reached. And the budget projects the government will run a deficit of \$1.645 trillion this year, topping 2009's previous record by more than \$230 billion. By contrast, 2007's deficit was just \$160 billion altogether.

However, another view was expressed by *The Australian*: 'The US remains the economic, innovative powerhouse of the world, with rumours of its demise greatly exaggerated.'

Considering another aspect of the US economy, *US Wealth Daily* newsletter put it:

So, what we're essentially left with is a classic case of a reluctance to borrow or consume. And that's a big problem, since that's what the lion's share of the U.S. economy has been based on since 1982 [...]. We have too many cars, too many houses, and too many debt holders who can't support it all. Sure, Ben Bernanke and friends are providing plenty of liquidity; but those mountains of dollars would have very little velocity when a nation of good-time Charlies suddenly decide to live within their means.

Many credible economists also consider that debt in the USA is unsustainable. According to the official figures in January 2011, the national debt currently stands at \$14.01 trillion dollars – close to 100% of the total USA Gross National Product. That's more than \$45,000 per citizen, or almost \$127,000 *per* taxpaying American. If you add in debt held by households, state and local governments and financial institutions, that number (the total US debt) blows out to well over \$55.5 trillion, or more than \$680,000 per average family. Now add in the federal budget deficit \$1.4 trillion and, depending on whose estimates are used, the unfunded liability or indebtedness of the federal government (mostly in the form of obligations for Social Security, Medicare, Medicaid and prescription drugs) is estimated to be between \$60 and \$100 trillion. Recall the time when \$1,000,000 was huge: a trillion dollars is $\$1,000,000 \times 1,000,000 = \$1,000,000,000,000$.

The financial situation in European Union (EU) is different, but arguably little better. Several countries in Europe are experiencing riots as a wide range of people express their rage about measures to cut back on past excesses, stupid decisions by politicians and excesses, in particular by financial institutions.

Yugoslavia experienced an economic crash in the 1970s. This crash was devastating for all Yugoslav people and took many years of deprivation to recover from. Zimbabwe is a similar and worse case. Current countries in Europe that are, or have been, close to the brink include Iceland, Ireland, Greece, Portugal and Spain.

When the printing press starts to look a bit too obvious there's always the rich to tap. A commentator on Andrew Bolt's website noted:

Julia Gillard confirmed she would levy taxpayers to help rebuild Queensland: A levy of 0.5 per cent would be applied on taxable income between \$50,001 and \$100,000 and a levy of one per cent would be applied on taxable income above \$100,000 [...]. A person earning \$100,000 per year would pay just under an extra \$5 per week,' she said. This would raise \$1.8 billion – or less than the \$2.7 billion the Rudd Government so lightly threw away on the disastrously rorted 'free' insulation scheme. It is less than double the \$1.1 billion the Government frittered away on its subsidies for largely useless solar roof panels. It is only just over three times more than what the Rudd Government so lightly promised to give car makers under its \$500 million Green Car Innovation Fund. It is only four times more than what Gillard herself promised to waste on her preposterous \$400 million 'cash for clunkers' scheme.

Don't plan on Sydney becoming a regional financial hub

Maurice Newman, chairman of the Australian Stock Exchange (ASX) until 2008, argued in *The Australian*:

After 50 years trying to persuade governments of all colours to position Australia as a regional financial centre, I have been forced to recognise the reality that there is no serious political appetite to achieve it. Arguments are being advanced to oppose the merger of Singapore's stock exchange with the Australian Securities Exchange because it would supposedly end, for all time, Australia's (Sydney's) dream of becoming a regional financial hub. Given where Australia's priorities lay, people who think like this live in a dream world. To be a high value-adding regional centre requires a different approach to policy settings than what we are comfortable with. When we block mergers, impose price controls, bash banks, or single out an industry for higher taxes, we underestimate the effect on management and long-term investment. Managers come to view their best options for expansion as being abroad, merging with foreigners or moving domicile. Investors would follow. Significant foreign investment and initiatives are deterred in favour of more friendly shores.

And don't think it's any better over the ditch

A colleague, exceptionally knowledgeable on things financial, wrote:

I have reached the stage where I would advocate that as many people as possible should write to their newspapers telling them they have lost confidence in the political process and would register but abstain from voting at the next elections. We are all being bribed and the game is about who can bribe the most at the greatest cost to the minority. When I studied Political Science, this was termed 'majority tyranny'. Democracy has therefore lost its meaning. The biggest lie is that the 'Crown' (as an independent entity) is somehow able to meet the claims of anyone who feels aggrieved without it having an impact on the

taxpayer. The 'Crown' is really nothing more than the custodian of all our assets, yet politicians use its resources and money printing proclivities as a private 'slush fund'. Whether (in NZ) it is to bail out South Canterbury Finance or meet so-called 'Treaty' claims, the government is using our money under false pretences. The 'Crown' continues to lie to us about the state of the economy, changing the basis of statistics and reports to suit their purpose – regardless of who is in power. The continual debasement of our currencies through inflation is the way they impose a hidden tax. As a result we are no longer being governed, because no-one is taking responsibility for the deterioration of the current financial position. The offer by (NZ Prime Minister) John Key to sell off more of our crown jewels is an insult to any sensible Kiwi who doesn't already have a vested interest in that process. The opposition's recent blatant tax bribe is no different. Our politicians in both NZ and Australia should be more candid about the need for thrift rather than borrowing – or its alter ego, asset sales. Why should our children pay for our reckless spending?

What happens when excessive national debts become unsustainable?

Economists have predicted that, in addition to the USA, most other governments have financial debts that are unsustainable; that governments around the world have been 'printing money' to give voters what they want – the infamous 'free lunch'. Every household and business knows that if you spend more than you earn, sooner or later you either have to cut back drastically or you go broke. Countries are a bit different: the easy solution is to print and/or borrow more money and more money until inflation takes over.

How on earth could the GFC and such massive debt levels happen in democratic countries with full representation, armies of regulators and a vast number of highly paid economic advisors? Whilst Australia has come out of the GFC better than most other countries, Australia now has huge debts due to excessive recent spending, and at least short term budget deficits.

Why was the Australian Government apparently caught by surprise and unprepared when so many warning signals were freely available? And why does the Australian Government continue to try to spend its way out of a downturn that never was a recession?

3.18 The Modern Politician

Is it reasonable to expect current politicians to resolve the plethora of problems that exist today? Contrast the biblical phrase (*Luke 4:23*) 'physician, heal thyself' with Albert Einstein's quote 'Insanity is doing the same thing over and over, and expecting a different result.' The short-odds bet is on Einstein.

A politician should see himself or herself not as either a servant or a master of constituents; rather as a wise leader who is managing the country on behalf of his or her constituents. Contrast this wise statement with a cynical media commentator: 'The trouble with people is they live in an American Idol society. The average person doesn't know what a politician's policies are, let alone understand their implications, so they vote using the same method they use when voting on some trivial little TV show.'

What sort of person would want to be a politician?

Think about what the role of a politician involves in recent times. Consider a truthful potential situations vacant advertisement seeking a candidate to become a member of parliament:

Applicants are sought for a position that may or may not be available after the forthcoming election. In the meantime the applicant will be expected to put in ten hours, seven days a week electioneering without any pay. The party may refund some expenses incurred. The applicant does not need any qualifications, but must present well and give the appearance of honesty, integrity and patriotism. Kissing babies is optional. You will be required to adjust your core beliefs to be consistent with those of the party, including rapidly changing beliefs to pander to new ideologies identified by the media. No experience is necessary, although a career involving legal practice, being a union delegate or an environmental activist is preferred. Successfully pandering to minority groups and party fund donators is a core competence. The applicant must be very thick skinned to avoid being upset by regular lies and rude personal comments by individuals and in the media. The hours of work are very long and variable. The successful applicant who also is elected to parliament will have joint accountability for the Australian Gross National Product of one trillion dollars as well as all government assets and business. However, members' Fiduciary Duty of Care is ineffective, so the candidate need have no fear of personal liability. Remuneration for this position is equivalent to that of a middle level business manager, reflecting well the level of accountability.

Why on earth would anyone want to be a politician? In many non-democracies, one common answer is to make large amounts of money through bribes and corruption, both for themselves and their extended families. In democracies, fortunately, major corruption is very rare.

Many people become politicians for fine reasons: serving the community, a vocation starting at any early age, some even after making considerable sums in private business and changing course to politics as a challenge to apply previous experience and education in a more meaningful way. Many politicians probably start with high ideals but as the saying goes: 'it's difficult to soar like an eagle when you're surrounded by turkeys'. New politicians are soon engulfed in the daily cut and thrust, the abrasive confrontational style of modern politics (although, to be fair, politics has always been that way to some extent.)

The current machinations of parliament may explain why the type of member has changed considerably in recent years. Consider the breakdown of membership in 1969: caucus had eighteen members and senators who had been trade union officials but the rest came from a variety of occupations. Apart from eleven lawyers, six doctors and a chemist, there were police, farmers, journalists, small business people, teachers, public servants, accountants, academics, clerks, ministers of religion, company executives and party

officials. In 2010, previous work of MPs shows ninety-three out of 115 were: political consultants, 22; former state MPs, 7; party and union officials, 41; policy managers, 6; lawyers, 11; electorate officers and researchers, 6. Labor is now controlled by a few party officials and the trade union hierarchy.

Hearing or watching parliamentary debates is often a dismaying experience

Both 'sides' slag off at each other using dubious invective more focused on scoring points than contributing to serious discussion. The twin objectives seem to be getting re-elected and capturing media headlines next day. Even elections nowadays are mostly about a combination of knocking the opposition candidate and party, followed by grandiose words about change that seem intended more to inspire than state credible specifics and lead.

Is that entirely fair? No, of course not. There is some serious debate both in and outside of the chambers. Also there is serious consideration by some worthy politicians of the large range of issues that are the realm of modern government. Unfortunately, this is noticed, and noted, only by the very few serious media. So most voters only see, read or hear the sensational stuff chosen by the majority of media whose main concern appears to be to increase readership, viewer numbers or listeners. Dismayingly, politics in most democracies has become more like a gladiatorial contest, a fight to win a 'battle': who will win the next election. This 'fight' seems to be more important than what is best for the country, what is best for voters. Even more unfortunately, long term needs seem to be confined to election rhetoric, with few actions and decisions made based on long term needs – 'long term' being after the next election.

Politicians appear to be consumed by 'political entropy', stuck in a vicious spiral – down. Each year seems to be a bit worse than the last. Is it any surprise that voters are mostly highly disenchanted with most of their politicians, whether they voted for them or not?

Politicians' fiduciary duty of care

Compare the fiduciary duty of care of an Australian corporate with that of a member of Senate or House of Representatives. The Corporations Act specifies four main duties for company directors:

- To act with all the care and diligence that a reasonable person might be expected to show in the role (s. 180). The same duty is imposed on directors at common law. The business judgment rule provides a 'safe harbour' for a director in relation to a claim at common law or subject to s. 180 if they reasonably inform themselves about a matter to an appropriate level and make a decision in good faith for the best interests of the corporation and do not have a material interest in the judgment.
- To act in good faith in the best interests of the company and for a proper purpose (s. 181), including to avoid conflicts of interest, and to reveal and manage conflicts if they arise. This is both a duty of fidelity and trust, known as a 'fiduciary duty' imposed by general law and a duty required in legislation.
- To not improperly use their position for personal gain or to the detriment to the company (s. 182);
- To not improperly use the information they gain in the course of their director duties for personal gain or to the detriment to the company (s. 183).

Professor Paul Finn argued that ‘the most fundamental fiduciary relationship in our society is manifestly that which exists between the community (the people) and the state, its agencies and officials.’ One basic problem with stopping political negligence stems from the lack of understanding by media and politicians of the laws of fiduciary control. In equity, fiduciary control suggests obligations that not only include duties of good faith and loyalty, but also include duties of skill and competence in managing the people’s interests. Government is a trust structure created by people to manage certain services within society with the politicians depended on by the people to do that task. Therefore, the relationship between government and its politicians and the governed is clearly a fiduciary one. Rules such as Sovereign Immunity and Crown and Judicial Immunity are now being targeted as the very tools of oppression that are preventing victims from taking action against the people controlling the country who are causing the failure of care.

This suggests anyone accepting any political or government control over the interests of people should be judged by the most exacting fiduciary standards as politicians are the most important fiduciaries in any society, given they hold coercive power over the people.

The fiduciary relationship arises from the government and its politicians’ ability to control people with the exercise of that power. But the use of the word ‘fiduciary’ is considered by many politicians to be inappropriate in describing their duties. They believe that the system provides for accountability via the ballot box. They believe accountability in general terms to those who vote for them should be their only obligation. So they create mayhem without anyone being able to call them to account. Even at the next election, most politicians can find some way of blaming someone else rather than take accountability for their decisions and actions.

The British Conservative Party stated in March 2010 it would: ‘introduce a new *General Power of Competence* which gives local authorities an explicit freedom to act in the best interests of their voters, unhindered by the absence of specific legislation supporting their action’. No action – except raising taxes, which requires specific parliamentary approval – would any longer be ‘beyond the powers of Local Government in England, unless the local authority is prevented from taking that action by the common law, specific legislation or statutory guidance’. This in effect gives unfettered powers to local government; in practice it means they could do anything they wanted as long as they consulted with their electorate in a prescribed manner and it was not against a specific law. Unfortunately, that means that pressure groups decide what local authorities do, *i.e.*, anything they want because the squeaky wheel gets the grease. But the ratepayers get to pay for all the wish lists.

It seems that politicians currently are taking risks that they neither know exist nor are competent to evaluate. Noting the qualifications and experience of most politicians, a large majority of them are making decisions on behalf of their constituents without any personal accountability, and without any redress – except at the next election.

Does it make sense to have strict fiduciary rules for the governance of corporations, yet no effective fiduciary duty of care for those governing the largest ‘corporation’ of all – Australia? Without such rules and competence suited to much the largest budgets, assets and responsibilities, is it any wonder that democracy and governance is going downhill?

Commander Spock got it right

Is it possible to extract government from the current seemingly impossible 'catch 22'? The answer: yes, it is, but not by incremental improvements. There is an immediate need for radical change; as Commander Spock might have described it: 'it is life Captain, but not as we know it.'

3.19 Human Imperfections and Differences

One of the best human resources (HR) experts in Australasia, and latterly an excellent corporate executive, summed up the fundamental problem for all organisations, in particular governments:

The more I see the more convinced I am that always remembering human imperfection is essential in policy formation or in setting any strategic direction. The paradox that we all are essentially good but primarily self interested, is the great challenge for any community.

Another former high-level HR and now senior executive commented:

Your draft report made me think philosophically about the issue and it led me to thinking that the real problem with society is actually us (the human race). We are selfish and invent all sorts of systems and organisations to handle this but they all fail. We look for leaders to sort things out but then they become corrupted to varying degrees and we the followers abrogate responsibility and carry on as before.

The ultimate mass of dichotomies: people

How can a government accommodate people's contrasting demands and behaviour, such as:

- demand government give them more, but want to pay less tax;
- demand more protection from other people, groups *etc.*, but less government intrusion;
- demand more reliable and cheaper services (water, electricity) but not any related adverse effects – think NIMBY (not in my back yard);
- say Australia is an egalitarian society but want rich people to pay more taxes;
- demonstrate extreme kindness and caring when confronted with a local disaster, but may have a slanging match after falling out with a neighbour over a trivial matter;
- remonstrate about a range of government actions, but don't bother to investigate and compare the proposals of candidates before an election;
- usually agree with other opinions that are more or less aligned to their own thinking ('right-thinking people'), but dismiss other views even if supported by solid evidence.

Another opposing pair of social groups is city and non-city dwellers. The latter may live in smaller towns, or in spread-out communities in the outback. Demographic forecasts reckon the city dwellers are increasing faster than the others. Non-city people clearly have most of the agrarian and mining industries; city folk, mostly service industries. The two groups have different views on a range of issues, in particular environmental.

Other opposing groups include: those supporting abortion *versus* 'right to life'; those involved in fishing (recreational and business) *versus* those proponents of marine parks that exclude all or most fishing; farmers wishing to ban imports *versus* consumers wanting to pay lower prices for imported goods – the list is endless.

One of the most important distinctions that has existed since time immemorial is the 'haves' and the 'have-nots', often also the 'rich' and 'poor', the landed gentry and the peasants. These distinctions have instigated many dire consequences such as popular revolutions. Labour unions started as craft-based groups, but morphed into 'workers' versus 'bosses'.

Another division is developing in California, USA. The State of Californian is, in effect, broke, as are several other US states. Yet the November 2010 elections re-elected the same politicians that brought them the same failed policies, including 'carbon pollution' taxes and regulations, and a 12.4% rate of unemployment. According to CEI, California is a state where public employees have three times the pension benefits of private employees and 20% higher pay, in addition to secure jobs. As deficits mount and taxes increase, productive people and enterprises are leaving California for more hospitable states. The result could be a 'tipping point' when the state divides between a large welfare population, Latinos and state employees that control the vote, and the rich who live in gated communities but whose tax revenues cannot support the state's obligations.

The *Economist* organised and published a debate in early 2011:

Many of today's global elite – which our Special Report of January 22nd defines as those 'with enough brains, money or influence to affect the lives of large numbers of others' – have become influential by doing clever things, such as inventing (or finding ways to popularise) things that make many people's lives better. However, some argue that many members of the elite—for instance, those in the financial sector – have profited from rules, whether on financial-sector bonuses or income-tax rates, that they have had a hand in deciding. And as the very rich have done far better than everyone else over the past couple of decades, inequality within countries has exploded. Should we accept, even laud, this inequality as the logical result of the greater rewards for brilliance in a globalised world? Or is it right to worry about its less savoury origins and decry its possibly disruptive consequences?' Whether the gaps are growing or not has not been measured accurately, but it appears antagonism may be on the rise.

Another form of differentiator is the 'silent majority' compared with a range of ideologues, intellectuals and extreme activists. Greg Sheridan, Foreign Editor of *The Australian*, summed up the latter broad group in relation to Colonel Muammar Gaddafi during the recent revolution in Libya:

The utter, absolute, intellectual and moral bankruptcy of the Western activists and intellectuals who embraced these gangster dictators is matched today in the same fatuous calls for dialogue and understanding of Islamist extremism in its many guises. The gullibility of a certain sort of progressive is almost infinite.

Christopher Carr wrote at the end of an article "Left Crusade v. People's Revolt" in *Quadrant Online*:

It is clear that the Gillard-Greens alliance and its numerous acolytes in the mainstream media will depict opposition to a carbon tax as a confected concoction of Tony Abbott and vested business interests. This will be a typically ideologically driven response to popular opposition. The collapse of old style socialism did not extinguish the Left's secular messianic impulse. One might say that 'climate change' has become code for the new socialist crusade, pursued by a parasitic affluent intelligentsia. We have the beginning a new great divide. We may be on the cusp of a major political realignment.

Yet another view on the divide in society was expressed in an editorial in *The Australian*:

Time was when those on the Left of politics were concerned with improving the living standards of the poor and the working class. Those days seem to have disappeared under a wave of university degrees and green mantras that is dismissive of anyone worried about the price of bread and electricity. These days, rather than addressing the concerns of ordinary Australians nervous about the cost of a carbon tax, Labor and the Greens, along with their friends in the media, prefer to blame talkback radio hosts for the backlash against

the policy. Some even suggest there is an orchestrated campaign to produce a movement styled on the American Tea Party, with naive consumers provoked into anti-government rhetoric by shock jocks in league with Opposition Leader Tony Abbott. This stance would be laughable if it did not reveal a deeply worrying divide in our community.

‘We the people’, but which people?

US President Abraham Lincoln said: ‘We the people are the rightful masters of both Congress and the courts, not to overthrow the Constitution but to overthrow the men who pervert the Constitution.’

Appendix D provides a humorous letter:

‘Dear Australian Laborites, leftists, social progressives, socialists, Marxists and Gillard, *et al.*, We have stuck together since the late 1950’s for the sake of the kids, but the whole of this latest election process has made me realize that I want a divorce. I know we tolerated each other for many years for the sake of future generations, but sadly, this relationship has clearly run its course. Our two ideological sides of Australia cannot and would not ever agree on what is right for us all, so let’s just end it on friendly terms.’

A cleverly worded mock divorce proposal follows suggesting a more serious growing split between ‘ordinary’ Australians and a supposed minority with more radical beliefs.

Appendix E has an article by a retired Senator and US Marine Corp veteran that describes how he is tired of so much the government and its greedy supporters are doing. The article ends: ‘Yes, I’m damn tired. But I’m also glad to be 63. Because, mostly, I’m not going to have to see the world these people are making. I’m just sorry for my granddaughter.’ Whilst the Senator clearly is not a member of the ‘silent majority’, he is echoing views voiced by a growing proportion of ordinary people.

Appendix F is an article by Joel Bowman, contributor to *The Daily Reckoning Australia* newsletter: ‘Left alone, good people tend to do good things. And, when free of coercion, force, violence or other tools the state employs to foster and maintain a more ‘responsible,’ ‘socially conscious’ citizenship, most people tend to be good...all on their own.’ Joel then describes how an army of volunteers waded in (often literally) to help people whose homes had been flooded by Queensland’s recent floods. They didn’t need government to organise or cajole them, they just got on with the job as ordinary caring human beings. As if to prove Bowman right, Prime Minister Gillard then announced a progressive levy on taxpayers to help pay for flood damage. The levy would raise a small fraction of the billions of dollars the Labor government had wasted on other recent schemes. The unintended message was that when the next disaster happens, donors who had immediately responded to requests for flood donations should wait until they know how much the government is going to fleece from them.

Could the letter and articles, albeit completely different, be symptomatic of a genuine split of views between the ‘silent majority’ and the relatively small body of power brokers, ideologues and their greedy supporters? Sentiments such as these are scarcely ever found in the mainstream media – they are not news or sensationalist. Try reading a range of weblogs or listen to radio talkback shows – such sentiments are the norm.

Machiavelli described in *The Prince* how a small number of what we now call ‘power brokers’ would surround the leader, or ‘Prince’, and govern a city-state. Machiavelli also described how the prince must relate to the citizens of the city-state in a manner that was mutually beneficial – or risk losing power

through a range of possible revolts, including sullen disobedience and revolution. It is tempting to draw parallels with modern society where there are ominous signs that the 'silent majority' is fed up with an increasingly intrusive and dominating government manipulated by power brokers, ideologues and their supporters. The mushroom treatment is wearing thin.

'All animals are equal, but some animals are more equal than others'

The wide range of people attributes, views and general behaviour led some leaders and intelligencia over many years to think it would be better to 'engineer' people, generally called 'eugenics': breed the 'right' sort of people, and remove the 'wrong' sort. Some groups and individuals believe most world problems, now and even more so in the future, stem from over population. A range of solutions have been proposed including contraceptive chemicals in water supplies or inoculations, bribes to the 'wrong' people to be sterilized, literally killing the 'wrong' people, and even mass genocide using chemicals. Sweden officially supported forms of eugenics until about 1960. The most recent proponent of selective breeding was Adolf Hitler.

Other leaders over the years believed they could change peoples' behaviour and beliefs. Most religions clearly are the main proponents of this theory and practice; Karl Marx believed in the ability to change people using more forceful methods.

Some governments, both democratic and non-democratic, have used education of the young to try to change people starting by indoctrinating the young and gullible, and using the children to influence, spy on and manipulate their parents. Recall McCarthyism in the USA when communism was at its peak. Consider the many democratic governments that have force-fed children with 'green' propaganda. Be horrified by the Taliban's enforced 'education' of their extremist interpretations of Islam. Consider some government school education programs such as showing the Al Gore documentary 'An Inconvenient Truth'.

Reconciling the points above and numerous related dichotomies seems to be an impossible task. And yet this task has to be tackled – and resolved – by every government. Is it possible to govern Australia in ways that are acceptable to most voters most of the time?

One consolation is that Australia has a stronger economy, fewer radicals, a stronger culture and greater experience of diversification than most other countries. If Australia fail to vote for a government capable of achieving a sound balance of people-issues, what country will?

4. Issue Summary

This section lists summaries of the key issues in *Section 3* to assist readers think about all nineteen together. Most, if not all, of these issues are interlinked. This summary provides a starting point to consider what sort of government would best resolve these issues.

3.01 Democracy evolution: The best that can be said for most existing democracies, including Australia's, is they're the 'least worst' form of government. Surely, Australia can do much better than that.

3.02 The modern nation-state: The Australian government continues to increase regulation, increase taxes and lose popularity. To what degree is Australia following the paths of other failing nation states such as the USA and the UK? Is the continuing rise of government control, intrusion into voters' lives, and erosion of liberties acceptable?

3.03 Cargo cult mentality: Many people have myopic views of 'free' government services, failing to recognise that they pay for everything, albeit indirectly. Have too many Australians forgotten there really is no 'free lunch'?

3.04 Immigration: Immigration dominates Australia's history. Recently immigration problems have been usurped by self-serving politicians and political issues to the detriment of credible immigrants.

3.05 Freedom of speech: Freedom of speech is a fine ideal for all democracies to apply. Unfortunately, some people and organisations take advantage of it. Many checks are made on insubstantial transgressions, but a blind eye is turned to potentially dangerous breaches.

3.06 Trade unions, labour laws and productivity: Unions and labour laws reflect the past, are increasingly complex and currently regressing. Approaches to retirement are historic and not suited to future needs. What, if any, role should the government and law play in regulating relationships between employers and employees in future? Will 'people power' at the State election remove the power of the union elites in effect ruling NSW?

3.07 Standards and regulations: Standards and regulations have mostly grown in number and complexity to become intrusive and a bureaucratic nightmare. Compliance has evolved into an industry administered by an army of unproductive accountants, clerks and bureaucrats.

3.08 'Carbon pollution': 'Carbon pollution' is an oxymoron; man-made global warming is a massive and hugely costly fraud promoted by most governments and many organisations for selfish purposes. Australia is suffering from the results.

3.09 The 'green mafia': Some environmental effort is very worthwhile, but most 'green' and 'carbon footprint' promotion is a con Italian Mafiosi would envy.

3.10 Water management: Water management is excessively complex carried out by numerous government departments involving excessive environmental regulations and planning dominated until recently by mythical forecasts of droughts that ignored history. Results include unnecessary delays, exacerbating colossal flooding and white elephants. There are many proven ways to mitigate flood damage.

3.11 Energy management: AGW issues dominate energy planning at all levels resulting in confusion, project delays and costs far higher than warranted in a country with vast energy resources.

3.12 Global governance: The unelected UN, increasingly dominated by dictatorships and Muslim countries, and Islam, are attempting to control the world, including Australia.

3.13 NGO influence: Some large NGOs, typically 'green' such as the WWF, are conveying soft messages to increase their wealth and further their covert agendas that are not in the best interests of Australia.

3.14 Bureaucracy and weak government management: Too many government management results are inept as a result of chronic bureaucracy and overly complex systems. Most government staff are competent and diligent, but have little opportunity to improve the processes they are required to apply. Government processes developed over decades seem to naturally descend into further complexity.

3.15 Levels of government: The current government structure with three levels, National, State/Territories and local, creates confusion, unnecessary duplication, excessive costs and delays.

3.16 Justice: Most people consider that the systems of justice are unsatisfactory owing to court delays, more focus on fairness for criminals than victims, growing numbers of crimes and criminals, and ever-rising prison populations.

3.17 Economics and financial management: The GFC was mostly a direct result of governments failing to recognise financial fraud and excesses (despite clear warnings), building unsustainable government debt and promoting ruinous mortgages. Most countries seem fixated on short-term solutions: 'printing money' and increasing debt.

3.18 The modern politician: The main objective of many, possibly most, politicians appears to be getting re-elected rather than the greater good of Australia and Australians. Most politicians and politics appear to be engulfed by abrasive confrontational exchanges and 'political entropy' – a vicious circle spiralling down into further disorder, complexity and voter disillusion. Politicians have no effective fiduciary duties of care.

3.19 Human imperfections and differences: There are many different groups of people, and as many apparently irreconcilable dichotomies in peoples' views. There are also signs that society is splitting: an increasingly intrusive and dominating government manipulated by power brokers, ideologues and vocal activist groups versus the 'silent majority'. Australia has a stronger economy, fewer radicals, a stronger culture and greater experience of diversification than most other countries. To stay in power, governments must produce solutions that are acceptable to most voters most of the time.

Currently, the Australian Government appears to be more intent on appeasing small and vocal minorities – ignoring the silent majority – this, surely, will provoke change in government sooner or later.

5. KiS Philosophy

Political philosophy is concerned with topics such as liberty, justice, property, law, and the enforcement of a legal code by authority. Basic questions are tackled about what they are, why they are needed and what makes a government legitimate. Other issues concern rights and freedoms, citizens' duties to a legitimate government and even when a government may be legitimately overthrown. A poignant quote by Steven Covey, author of several revered books about management, summed up a range of these issues: 'Our ultimate freedom is the right and power to decide how anybody or anything outside ourselves would affect us.'

It is most unlikely that any fundamentally new political philosophy would arise. It has all been said and written before in one form or another. The secret of successful government is to learn the lessons from the past and adapt them to the current and likely future circumstances.

A study of political philosophy yields a wide range of philosophers and philosophies over several millennia: Plato, Aristotle, Confucius, Cicero, Marx, Kant, Smith, Hayek – Kevin Rudd misinterpreted Hayek's views –, Machiavelli, and many more.

Aristotle, 384–322 BC, was a Greek philosopher, a student of Plato and teacher of Alexander the Great. His writings cover many subjects, including physics, metaphysics, poetry, theatre, music, logic, linguistics, politics, government, ethics, biology, and zoology. Together with Plato and Socrates (Plato's teacher), Aristotle is one of the most important founding figures in Western philosophy. Among Aristotle's contributions to politics were his discourses on the 'good man' versus the 'good citizen'. The former concerned a person's particular skills (carpenter, physician, *etc.*) which had an absolute value, or 'virtue'; the latter concerned the person's support of, and contribution to, the state or the country. The latter 'good citizen' had no absolute value as it depended on the state's intentions (war, democracy, defence *etc.*). It could be argued most Australians score well in the 'good man' category, and are strong in some areas of 'good citizen' as noted on Australia day. Australian politicians do not have a consistent view on what a 'good citizen' is or should be.

The key question is, what political philosophy is right for Australia, both now and in the foreseeable future? Freedom of course, but with what, if any, constraints? Fewer regulations, of course, but what regulations are still needed, and why?

It is acceptable in an academic document to emphasise virtue, freedom, political unity and political stability. But a new political philosophy is useful only if it be conceived and stated in terms that provide a sufficiently definite framework within which to develop details of how the country should be governed. If the political philosophy is too woolly, it is worse than useless as it is likely to present excuses to the mandarins to interpret it in whatever they want – step forward, Sir Humphrey.

Contemporary political philosophy considers an ever widening range of factors: communism, feminism, utilitarian, libertarian, natural law, science and many more. Again, a review of current Australian government and political documents does not reveal any consistent political philosophy.

By what right or need do people form states?

At the highest level, the two most basic questions to answer are: by what right or need do people form states; and what is the best form for a state?

The most striking and disappointing answer to the question of ‘the best form for a state’ is that there is no country in the world that is viewed widely as having very successful government over a long period: some successes are evident, but no government is generally regarded as very successful. Consider the rise and fall of numerous world powers over the millennia. The only political philosophy that underpins the more successful societies is the general concept of democracy. This raises the obvious question: if there is no optimum model to follow, are there parts of different models, different methods, and different regimes that could be pieced together to form an approach most likely to succeed?

National and international law concerning states and governments is very complex. However, there are some basic points that could determine how governments govern to deliver optimum results.

‘Rights’ are a tricky issue that has assumed monumental proportions in recent years. The rush to ‘privacy’ and anti-discrimination legislation has conferred greater status on those who contribute nothing, or little, but claim every right. The term ‘equality’ has morphed into ‘I want more than I am prepared to give’. Until ‘rights’ are earned, there will be a continuing degradation of democratic governments, slowly being disembowelled by the praying mantis of greed and sectional interests.

Another tricky issue concerns who votes for governments. An age limit is reasonable as most children do not have the knowledge or maturity to make sound decisions concerning their representatives. But what about intellectually disabled people? Criminals who have transgressed society’s laws? People who have lived in Australia for many years and paid taxes, but do not comply with a small detail of the ‘residential status’ process so are not eligible for Citizenship?

Aristotle’s concept of the ‘good man’ who would contribute to society is poignant: in the rush to multiculturalism, rights and equality, the concept of the ‘good man’ has been largely lost in favour of more complex bureaucracy, political correctness and demands by non-government organisations such as the United Nations.

One common factor in every issue is increasing complexity – political entropy

The issues listed in *Section 3* all have one clear common denominator: complexity. None of the issues demonstrates any degree of order or simplicity. Could it be that a solution to both individual and grouped issues is to apply simple approaches; approaches that ‘the common man and woman’ can readily understand and buy into?

This suggests a different approach; KiS addresses the political equivalent of entropy, the amount of disorder in a system. One of the key principles of thermodynamics is systems naturally evolve to greater degrees of disorder. This sounds remarkably like politics. As noted in *Sections 3* and *4*, most politicians and politics appear to be engulfed by abrasive confrontational exchanges and ‘political entropy’; a vicious circle spiralling down into further disorder and complexity.

There is little doubt that government complexity has been increasing gradually for many years. There is no sign, however, that this growth in complexity is slowing, so there is no reason to suppose complexity will not get worse as each year passes. Projecting increasing complexity forward, unless something radical or entirely different happens, complexity will eventually suffocate Australia in a morass of intrusive regulations, expensive bureaucracy and ineffective government.

‘Waltzing Matilda’ and giving it a fair go

Communism could be described as a simple philosophy and system of government. Since communism failed, clearly ‘simplicity’ is not enough.

One issue that most Australians would broadly agree on is that Australia has its own culture, and they want to preserve most of that culture. Of course, there are aspects of any culture that are not desirable and that most people would like to eliminate such as crime, excessive intolerance, greed and so on.

Culture is generally defined as the quality in a person or society that arises from a concern for what is regarded as excellent, in particular in arts, manners, attitudes and behaviour that are characteristic of a particular social group or organization. A parallel concept is that of ‘values’ that are ‘self-evident’.

One partly humorous explanation of Australian values described it as: ‘respect for women, other people’s beliefs, democracy, our mates and we always give each other a fair go. We’re a tolerant society and if you don’t understand that you can piss off.’

The following is a summary of what Australians consider to be the main desirable features of Australian culture and values, in no particular order or priority:

- Democratic, Westminster system of government.
- Contributing to the betterment of Australia is no less important than individual needs and desires.
- Predominance of broadly Christian values.
- Freedom of thought and expression.
- Loyalty to Australia and respect for its national flag.
- Ability to communicate effectively using the English language
- Enjoyment of the challenge and fairness of sport, and reverence for sporting heroes.
- Unspoken admiration for larrikins such as Ned Kelly, and a healthy disrespect for authority, epitomised by ‘Waltzing Matilda’.
- An intense dislike of intrusion by authorities and non-essential regulations.
- A degree of self-deprecation; no arrogance or class distinction.
- ‘Mateship’ and ‘giving it a fair go’.
- An abiding love of fun and barbecues.
- A competitive environment where everyone has the opportunity to succeed.
- Excellent and free education.
- Caring for the needy.
- No tolerance of crime or corruption.
- Tolerance of other cultures, values and views within Australia *providing* they are reasonably consistent with Australian culture and values.

The last point above is tricky and could result in variable and potentially subjective interpretation. Context and individual consideration would be needed to apply this part of Australian culture and values.

Based on the points above, the proposed KiS government political philosophy forming the framework for the KiS government is:

Australia is a democracy whose citizens contribute towards the betterment of Australia, and government is as simple as possible and consistent with Australian culture and values.

The answer to life, the universe and everything

A modern philosopher may be horrified at such a simple political philosophy to overarch a new government for Australia – perhaps reminiscent of the reaction of the two philosophers from Douglas Adams’ delightful novel, *The Hitchhikers Guide to the Galaxy*. The philosophers had been selected to be the first to hear the computer’s answer to the question of ‘Life, the Universe and Everything’. On hearing the answer was ‘42’, they expressed dismay that they would now be out of a job. But then they realised the golden opportunity now to study and pontificate on what exactly was the question behind the answer (probably expecting government grants too).

KiS makes no apology for such a short political philosophy – apart from offering sympathy to indignant political philosophers and to all those people who earn a crust by creating complexity and then administering the results.

6. KiS Vision for Australia

The next step to develop a framework for a KiS government is to draft a prospectus that describes broadly what Australians would like our country and its government to be.

The following KiS vision is an extension of the political philosophy noted above, together with a distillation of views expressed previously:

Australia is the democracy to which citizens of Western countries aspire. Australia is the most open and honest country in the world whose citizens contribute towards the betterment of Australia. Australians have fulfilling lives based on upholding Australian values, enjoying satisfying work, high living standards, the best education, the pursuit of happiness – and fun. Families are the foundational group; other lifestyles are well integrated. Australia is a caring society but does not tolerate care abuse; neither is crime or corruption tolerated. Australians believe that their country is governed in the best possible way by skilled professionals who understand and do their utmost to achieve their constituents' wishes.

7. KiS Management

This section is concerned with management; the management of Australia.

As noted many times previously, most of the issues and current failings of government can be traced back to poor management. The KiS approach to governing Australia is to apply the best, the most successful, the most proven management practices to Australian government.

For readers familiar with good management, it is worth reading this section to check whether they have any divergent views. For readers unfamiliar with modern good management practices, this is a very short primer.

‘Keep it Simple’ means getting back to basics

Few aspects of Australian government need to be nearly as complex as they have become. Typically, bureaucracy and governments take the opposite view; they are the ultimate ‘make work’, *Peter’s Principle* organisations. Government systems naturally seem to track towards maximum complexity.

The common word for what governments do is ‘governance’; the more common modern term for all other organisations is ‘management’. There should be no difference in principle, only in the details.

All management education starts with the basics, often referred to as Management 101. It does not matter whether what is being managed is a country, a large corporation, a charity or even a household, the basics of ‘management’ are more or less the same; simple to explain and simple to understand. Management *per se* is not difficult; it tends to be the personal and behavioural aspects that result in difficulties and things going wrong. It is the behavioural aspects that are often the most complex because they concern peoples’ emotions more than their logic.

Command and control morphs to teamwork

Until recently, most management applied a ‘command and control’ approach. Management told their staff what to do and how to do it. Managers were taught and assumed they were superior to their staff in both knowledge and power. Managers were fully accountable for results – unless something went wrong in which case one of their staff had ‘stuffed up’. Staff members were accountable for *carrying out* all prescribed steps in a defined process rather than being accountable for the *results* of the process.

In recent decades there has been a revolution in management. A few leading-edge companies, often owned by entrepreneurs, realised that their managers did not have all the requisite knowledge and answers. Many of their staff and contractors knew at least as much as the managers did. Critically, it was recognised that if these staff and contractors were involved in decision making, planning and setting their own targets as well as being treated as equals, then their contribution would be much greater. Productivity usually increased markedly, as did levels of staff-satisfaction, customer-satisfaction and, of course, profits. Teamwork became a byword.

That all sounds obvious now, but thirty years ago it was considered heresy by old-school managers. Many government departments nowadays try to apply teamwork approaches, but are invariably stuck with a plethora of rigid regulations and a culture that works against innovation and improvement.

Synergy rules OK

KiS management focuses on a fundamental view that an effective organisation is more than the sum of its parts; it demonstrates synergy. Synergy is defined as the interaction or cooperation of two or more organisations to produce a combined effect greater than the sum of their separate effects: from the Greek *sunergos*, 'working together'.

Every organisation comprises the often complex interactions between numerous parts: people (staff, owners, customers, suppliers, *etc.*), resources (physical, money, intellectual *etc.*), systems (processes, communications, computers *etc.*) and, of course, its method of management. Think of an organisation as a multi-dimensional web. The key to success is getting not just the right components, but getting the interactions between all the components right too. In this context, the Australian government is a very large organisation; as for being a web, think of a ball of wool after the cat has played with it for a few hours.

KiS government management culture can be described as teamwork, satisfaction, continuous learning and being jointly accountable for delivering the KiS government vision in the most efficient and effective ways as servants, not masters, of all Australians.

7.01 Management 101 delivers optimum results

Improving Australian government management would include applying relevant international ‘best practices’, including those described in the previous section. These ‘best practices’ include accountability for results rather than processes, performance measurement, customer service, individuals involved in planning for their rôles and outputs, teamwork and cultures open to critique and suggestions for improvement.

Most aspects of life keep changing – some more than others. This certainly applies to governments and all things governments manage. Goals are likely to change over time: setting goals is important, but failure to review regularly and possibly change goals when related situations change is a recipe for disaster. This was stated poignantly by the management guru, Tom Peters, who wrote in his memorable book, *In Search of Excellence*: ‘Ready, fire, aim’, *i.e.*, make a start as soon as possible, and should your target move, adjust your aim before your next shot.

Get the right people

One particular management approach has proven to be critical: select people who have demonstrated the requisite behaviour as well as the necessary competences; jointly set demanding performance targets; and tie remuneration directly to measures of behaviour, as well as achieving planned targets such as service delivery and cost-effectiveness.

Another KiS management approach is that consensus is preferable but not essential. As one of the best management gurus, Jim Collins, said:

I’ve never found an important decision made by a great organisation that was made at a point of unanimity. Significant decisions carry risks and inevitably some would oppose it. In these settings, the great legislative leader must be artful in handling uncomfortable decisions, and this requires rigour.

On the other hand, a leader must not ride rough-shod over colleagues in the belief he or she is right. Another invaluable point made by Jim Collins: ‘If I were running a company today, I would have one priority above all others: to acquire as many of the best people as I could. I’d put off everything else to fill my bus.’

Start with a ‘clean slate’

The most fundamental and important concept and approach KiS applies is what has been referred to in this report as starting from a ‘clean slate’.

When an organisation is operating reasonably well and the marketplace or environment has not changed significantly, and is not forecast to alter, a policy of continual improvement is appropriate. But if an organisation be plagued with problems, the problems are getting worse and there are few signs of improvement, the application of continuous improvement is illogical – plain daft; the equivalent of Nero’s fiddling while Rome burns.

Experience has shown that in dire circumstances, it is essential to start from scratch, with a 'clean slate'. The best that incremental changes could achieve would be shifting from very bad to fairly bad: incremental changes do not tackle core issues such as those which plague the current Australian government.

Starting with a 'clean slate' involves a straightforward process of assessing and understanding the basics of the organisation: the stakeholders and what they want; the key resources and assets; the overall 'marketplace' and environment; all significant current issues; and how other similar organisations have achieved success. Once these points are thoroughly assessed and understood, the groundwork is prepared for stepping back and considering what results are wanted, and achievable, and what principles and strategies are needed to achieve these results. Then, and only then, is it appropriate to consider solutions. As Winston Churchill said: 'The further backward you can look, the further forward you are likely to see.' The final phase is implementation, where 'the rubber hits the road'. This is often the trickiest part to get right:

- Once the optimum way is determined, practical transition plans are developed.
- Critically, successful implementation requires *sufficient* support (total support is unlikely in the extreme).
- Implementation factors include cost, benefits, risks and the need to provide continuous services during the transition.
- In some instances it may not be practical or economic to implement the optimum way completely, or a gradual transition may be preferable.
- Transparent pilot schemes are likely where major change is proposed. ('That won't work' would be anathema unless it is followed rapidly by 'this would be better'.)

Adopt a simple set of 'best practice' management principles

A summary of KiS government management principles includes the following. It is emphasised that this list is not complete and not unusual, new or different; just sound and standard good management practice.

- The Australian government exists to lead and serve Australians.
- Keep it Simple is an overriding principle.
- Every government group has a plan that conforms to national guidelines.
- Assessment starts with a 'clean slate' – incremental improvements are applied after a 'clean slate' assessment.
- There is always a better way: continuous improvement and innovation must commence after a 'clean sheet' design.
- Accountability is for measurable results (including qualitative as well as quantitative measures).
- People accountable for results are involved in setting their own performance targets.
- Group leaders and senior managers are selected for their exceptional and proven ability to lead, manage, plan, communicate and deliver results.
- Every group has a current strategic and operational plan, and an annual financial and management/operational audit.

The corporate decentralised model

Corporate structures tend to oscillate between centralised and decentralised. Both have advantages as well as disadvantages. Centralised models often become excessively domineering, focusing increasingly on control and minor detail that should be left to local units. Decentralised models often become a somewhat

disconnected series of little kingdoms that ignore central direction and fail to take advantage of the large corporation's economies of scale. One golden opportunity for management consultants reviewing centralised corporations experiencing difficulties is to recommend a decentralised model – and *vice versa*.

Communism is an example of the centralised model taken to excess. Many say the USA government model is an example of the worst of both worlds. Australia has evolved to have the worst of both worlds: a confused mixture of centralised and decentralised.

7.02 A starting point for improvement

The process described briefly above may sound quite simple and straightforward – it is not. To complete the process for just one area of government would require a major assignment by a skilled team comprising several external and internal specialists. There is no evidence this process has been carried for one Australian government department, let alone many departments. Even more clearly, neither the opportunity nor the desire to carry out such assignments exists at present. Such an approach would be anathema to almost all current politicians and civil servants.

The following sections of this report describe possible solutions to the issues described in *Section 3*. Each possible solution generally matches the KiS framework described above.

The primary purpose of these possible solutions is to present options for consideration by people who are genuinely interested in making major improvements to the Australian government. In the terms of the interminable TV quiz shows, the solutions presented are ‘your starter for ten’.

There are three key questions to ask and to answer for each proposed solution:

- Are the issues raised in this report, together with other related issues, significant to the extent that they require major changes to government? And if so:
- Is there a better solution than that proposed in this report? And if so:
- What is that better solution, and what framework underpins it? In particular, is there a better framework than that proposed for KiS solutions?

8. KiS Government Organisation

As noted at the end of the previous section, the following *Sections 8, 9 and 10* are not complete but are intended to indicate several key components of KiS government and how KiS principles could be applied.

Repeating the last point in *Section 7* because it is so important: the most constructive question to pose for each component is: *what would be a better solution?*

8.01 KiS national government objective

The overriding objective of the KiS government is to ensure Australia achieves and maintains its vision.

8.02 KiS government law process

One of the most important rôles of national government is producing effective laws; equally important is ensuring every law is implemented as intended, monitoring compliance and updating when necessary.

- KiS government would review all laws at least every five years. Improvements would be applied, and some laws may lapse if they are no longer needed.
- Laws would be as simple as possible and kept to a minimum.
- Existing laws made for historic reasons that no longer exist would be repealed as soon as possible. For instance, all shop trading time constraints are expected to cease unless required for another purpose such as monopoly mitigation.

8.03 National government structure

KiS would maintain the current structure of national government with some operational amendments:

- The Constitution, Legislative Power, Executive Power and Judiciary Power would remain.
- Executive Power would continue to be applied through the Governor-General until further consideration, probably a referendum, and voting takes place regarding the relationship with the monarchy.
- Legislative Power would be applied through the Senate and House of Representatives.
- All members would be elected, as present. The three-year parliamentary term would continue unless future reviews indicate a different period has advantages. If these advantages are significant a Royal Commission would examine the issues, possibly resulting in a referendum.
- KiS government would require fewer members. This would result from the reduced levels of complexity and the need to deal with far fewer details. Many current federal roles would be transferred to local government. However, KiS government would involve far better strategic thinking than previous governments have applied, and so demand commensurate competences. The roles of members in both houses are far more than the vital role of representation – the rôles of leadership and effective management of Australia are at least as important. These multiple rôles are similar to those of Directors of major corporations requiring very high levels of competence – far higher than are demonstrated by some current members of parliament.
- KiS government would attempt to reduce the total membership of both houses, Senate and the House of Representatives, to about 100 members. The split between houses as well as the total number would be decided after assessment of practical boundaries, spread of population and the amount of effort required for a KiS government to operate efficiently and effectively.
- The Senate's primary role is to check and review outputs from the House of Representatives. As such, it is expected Senate would require fewer members than the House of Representatives. A split of 70:30 may be appropriate.
- All members would be required to demonstrate they have met specific competence and behavioural requirements including leadership, analytical thinking and integrity. These requirements should ensure every member has excellent ability to oversee government and gain wide-spread confidence and respect from voters. These requirements would be based in part on those for board members of the largest and most respected Australian corporations.
- All Senate and Parliament members would be required to sign contracts describing their roles, fiduciary duties and duties of care to the citizens of Australia as well as to the entity of the Australian government. (Note: this is a fundamental change from present member accountabilities – see *Section 3.18*. For instance, fiduciary duties of care would preclude agreeing to deals such as the recent NSW generator sales).
- KiS government would require all members to maintain a high level of effective debate in parliament, not to use invective and to maintain a level of communication commensurate with their responsibilities, high status and the maintaining of the respect of Australian voters.
- Member compensation would be aligned to the specified minimum levels of competence and their accountabilities in order to attract the highest level of candidates capable of jointly governing Australia. Performance would be judged at each election. Any breach of contract would be considered in a similar way to a breach of a corporate director's contract.
- Member constituencies would be aligned with local government boundaries.
- Voting would be compulsory and restricted to Australian citizens without records for serious crimes. The Guardians (see *Section 10.09*) would be asked to carry out a review of other possible restrictions on voting rights, including consideration of people who do not contribute to Australia.

8.04 Two levels of government

There would be only two levels of government: national and local. 'Federal' would cease to be relevant except as an historical term.

- States and Territories would be transformed into figurehead identities with no law-making authority, minimal budgets and no tax-collection authority.
- Current State and Territory governance roles would be divided between national and local government.
- Local government would be similar to current city and regional councils with wider roles, and funded by local fees as well as by national funding (*e.g.*, for health and education).

KiS national government rôles would comprise:

- Defence of Australia.
- Justice.
- National foreign relationships.
- National planning standards and plan-consolidation.
- Finance and treasury.
- Commercial and economic oversight.
- Social security and welfare.
- Services direction, standards and funding: transport, health, education, water, agriculture and fisheries, communications, border control and support services (local governments, however, would deliver most services).

Members of local government councils would continue to be elected. Councillors' responsibilities would increase considerably, and Councillors would be required to sign contracts similar to national government members.

The primary KiS local government role would be delivery of local services within standards set by national government. Local services would include health, education, water and sewerage, roads, parks, libraries, some transport and harbour facilities. Like the national government, local government would own assets only if there were no better alternative (see below). Local government would apply national government planning guidelines.

Separate local government boards affiliated to their local councils would oversee some service delivery functions. Subject to further assessment, boards are expected for health and for education.

8.05 Democracy

KiS Government would be highly transparent and democratic.

Regular consultation with citizens would take place between major elections, and constitute primary input to national and local government plans and decisions. Consultation would be similar to the Swiss model, and include the use of electronic communications as much as possible. Government would be bound to implement the results of consultation whenever there were a clear majority view.

All government information would be available to citizens unless a dedicated Ombudsman decides information should be restricted (for example, if the release of information would demonstrably endanger security), in which case a full explanation would be available.

9. KiS Changes

9.01 Criminal Justice

Criminal Justice would be managed for achieving three key objectives, in order of priority: full compensation to victims; future crime prevention; and rehabilitation of criminals.

- All people charged with crimes would face court within one month of their being charged. Current processes and other obstacles that delay court action would be changed to enable rapid and fair application of justice.
- All criminals would pay, to the extent feasible, the full cost of compensating their victims plus costs relating to their conviction and rehabilitation.
- Every criminal would have an individual compulsory rehabilitation program in accord with the most successful world practices.
- Rehabilitation programs would focus in particular on preventing future crimes by each individual. A second crime would be viewed very seriously and result in escalation of a rehabilitation program. Current approaches that result in criminals re-offending several times would not be tolerated.
- Prison would be a last resort used only when other alternatives – such as electronic GPS surveillance, doing community work, combinations of ‘carrot and stick’ – have failed, and there were significant danger of a criminal’s re-offending if outside incarceration.
- Prisons would provide a minimum level of comfort consistent with Australian humanitarian principles; all communication between criminals, and also with other people would be monitored.
- Rehabilitation would continue in prisons and determine duration in prison.
- Punishment would not be a major reason for being in prison.
- International agreements relating to criminals would be enforced only if they support KiS principles and values, as provided for in Australian laws.
- Criminals’ ‘rights’ would be reduced (not eliminated) until criminals have been rehabilitated to specified standards of behaviour. For instance, all voting rights would be withdrawn temporarily. Full rehabilitation would be celebrated as a sign that the new system is working, society is no longer endangered and an important part of Australia’s vision is being achieved.
- Any person who was not born in Australia and is found guilty of committing a serious crime would lose his or her citizenship and may be deported, depending on the severity of the crime and circumstances.
- The production, distribution, sale and use of recreational drugs would not be illegal. This change is based on the failure of existing criminal legislation to control drug use, reminiscent of prohibition. All aspects of recreational drugs would come within relevant regulations such as health and safety. Excise duties would apply to all recreational drugs together with rigorous audit procedures (see *Section 9.03*).

9.02 National and local service fees

The current approach to taxes is complex, involving redistribution of wealth and payment for a wide range of services, assets, bureaucracy, welfare, aid and much more.

KiS government would replace all current taxes, such as income tax, goods and services taxes, stamp duties, company tax, luxury car tax and wine equalisation tax. The new approach is simple: 'you pay for what you get'. One difficulty with applying this approach is that different people receive different amounts of services – it would be impractical to assess the exact amount and cost of services for each individual. Similarly, each different business receives different amounts of services. The socialist notion of using taxes to redistribute wealth would be discarded; a simple cost-averaging system would be the basis for national government service fees.

The basis for assessing national services would be a 'flat tax' as has been proposed so many times before, but always discarded in favour of wealth-distribution, a plethora of 'loopholes', 'special cases' and 'pork barrelling' (bribery):

- Individual *income* (including fringe benefits). Initial assessments indicate national service fees would be a 'flat' 20%.
- Business *expenditure* (not profit). Initial assessments indicate national service fees would be a 'flat' 10%.

The rationale for basing the service fee for businesses on expenditure rather than profit is that services received by businesses are broadly proportional to expenditure (not proportional to profit), and to encourage growth, investment, profit and productivity. This approach bears similarities to some medium-term and long-term recommendations in the 2010 Henry Review.

Service fees would be set annually by national and local government, following audit reports demonstrating that past and planned service fees are fair, and result in efficient and effective service delivery.

National service fees would pay for all government activities and resources as well as for all services provided on a national basis. Local government would collect service fees (instead of 'rates'), in some instances, supplemented by national government, to pay for all local services.

Despite some similarities, it would be important to avoid service fees being viewed as income and company taxes by another name. This would be achieved by providing detailed breakdowns of how fees are allocated to the costs of providing each service, together with audited cost-effectiveness of each service.

The simplicity of calculating service fees would result in a major reduction in the requirement for tax accountants and their minions whose primary role is compliance and tax-minimization. Accountants would be available to carry out productive effort including finance-management, financial planning, performance measurement and financial assessments. There also would be a major redirection of government staff presently involved in tax collection – for instance, more staff would be needed for collecting and auditing excise for recreational drugs, alcohol and tobacco. Tax agreements between Australia and overseas countries would all need to be reviewed in terms of changes to Australia's tax laws. Service fee groups should expect floods of overseas visitors eager to assess their success.

Service fees are expected to replace existing taxes incrementally over about three years as new systems and computer programs are developed and implemented to replace current extremely complex systems.

Replacement of company tax by a much lower service fee of 10% on expenditure, and simple compliance procedures, would result in Australia becoming very attractive to many overseas companies; many international corporations are expected to shift some or all of their activities to Australia.

The amounts of local government services provided are proportional to many factors, including property size, location and number of people occupying a property. Currently, property value is used as the primary assessment factor for local 'rates'.

KiS local government fees would be assessed using a formula developed on a 'clean sheet' basis. The principles would be the same as for national service fees: as simple as possible, transparent, fair and audited annually. Separate fees for services that can be levied by direct measurement would be charged at full, all-of-life costs. The only subsidies would be for charities and similar volunteer organisations.

Customs duties would be simplified as much as practical, and remain at levels no more than those charged by other countries for the same items in order to ensure fair competition.

There would be some concessions to the principle of every individual and organisation paying national and local fees:

- People who have no income. People whose circumstances result in their being unable to pay their service fees would have full or partial concessions until they are independent and able to pay. These concessions would be a combination of national and local (see *Section 9.09, Welfare*).
- Organisations that are primarily charities.
- Individual payments into superannuation funds (up to a limit).
- Service fees for individuals receiving only government pensions may be adjusted.

9.03 Excise tax and royalties

Currently, excise taxes are charged on alcohol, tobacco and petroleum products. There are many different rates depending on specific aspects of items. The main objective of this tax is to collect more funds for the government. Alcohol and tobacco excise tax is also used as a disincentive because they are direct causes of many social problems.

Royalties are usage-based payments. A license agreement defines the terms under which a resource or property such as hydrocarbon products and minerals are licensed by one party to another. Governments are primarily concerned with royalty payments for oil, gas and minerals underground.

- Current excise tax would be retained only for alcohol and tobacco. No benefit is seen from singling out oil-based products for excise tax once the objective of gaining more revenue is abandoned. A new excise tax would be introduced for all recreational (non-prescription) drugs.
- The levels of each excise tax would be calculated based on recovering the overall cost to society from misuse of these items. A very rigorous audit program would be enforced for these excise taxes with special focus on recreational drugs. Transgression would include large fines and confiscation of property.
- All GST taxes are expected to be removed as soon as possible. However, further calculations would be completed for all government costs and revenues to confirm a reasonable level of fees for services is sufficient to pay for the total costs of the new government regime, including transition costs.
- Businesses, such as mining companies using natural resources, pay economic rents which enable fair profits and encourage investment, growth and overseas investment. Rents would be calculated in conjunction with industry groups; regular monitoring would ensure the objectives are achieved, and any adjustments would be applied as soon as possible.

9.04 Financial management

KiS government would apply the following approaches to financial management:

- Government debt would be reduced to zero over a period to be determined that does not endanger Australia's economy.
- National and local governments would publish regular financial accounts in a form most people could understand.
- The national government Treasury group would contract excellent financial experts and economists from private sectors for extended periods on an exchange basis.

9.05 Commercial and financial oversight

Lax financial oversight as well as sheer greed in most countries led to the recent global financial crisis. Legislation regulating commerce and related finance, together with more effective and diligent oversight, would be implemented as soon as possible.

Commercial and financial rules and regulations, in particular aspects relating to the GFC, would be reviewed for compliance with KiS vision and principles. Some commercial law may need modifications to accommodate labour contracts (see *Section 9.08*).

- Where shortfalls are identified, laws or practices or both would be changed to ensure compliance. For instance, a review would assess why insurance companies: are excluded from unfair contract laws; have multiple confusing definitions of flood-damage; and whether industry reform be warranted. This review would include consideration of national natural disaster insurance; for instance, an Australian fire, storm and flood-damage compensation scheme equivalent to the NZ Earthquake Commission.
- Primary targets of ongoing assessment and oversight would include financial products, such as derivatives, as well as financial fraud.
- Monopoly oversight would include actual monopolies, near-monopolies (*e.g.*, the Coles and Woolworths duopoly) and infrastructures that are ‘natural monopolies’; and competition may be sub-optimal (*e.g.*, state highways, railways, sea ports, air ports, wholesale broadband).
- The group conducting this surveillance and law development would be adequately staffed by a mixture of Government employees and specialists contracted from private industry in Australia and overseas.
- Current resources and arrangements undertaken by the Australian Competition and Consumer Commission would be enhanced.
- Commercial and financial oversight roles would be coordinated within a multi-discipline group in order to avoid overlaps and gaps, and to optimise information exchange.

9.06 Citizenship and visas

All foreign people applying for citizenship or visas would be required to prove they meet all specified requirements. Acceptance would include signing binding contracts.

- Specified requirements for citizenship and visas would be reviewed in terms of applicants' likelihood of fitting into and adding value to Australian society. There would be far less focus on current approaches to fairness, non-discrimination and other criteria directed by NGOs such as the UN. However, requirements would include a fair level of compassion for asylum-seekers consistent with Australian culture and values.
- Criteria are expected to include the history of people – as individuals and as part of a group – with regard to: successful absorption and integration into other societies; being peaceful; crime; tolerance of religions other than their own; learning to speak English; their children integrating into Australian society; and support for Australian law – this would be worded so that any support for alternative systems of 'law', such as *Sharia*, is subservient to all Australian law.
- Assessments for citizenship and visas should be completed within one month unless there are extenuating circumstances. Bureaucracy is a primary cause of current interminable delays that are costly, but more importantly are unfair to people who are often already suffering trauma.
- Contracts would require immigrants to uphold Australian law, understand and support Australian values, and become sufficiently proficient in the English language.
- Any applicant for a residential visa or citizenship who will not sign the contract would not receive a visa or become a citizen. If they are already in Australia they would be encouraged to move as soon as possible to another country that supports their preferred lifestyle, laws and culture.
- Failure to comply with the new citizenship or visa contracts at any time would result in immediate cancellation.
- Citizenship and visas granted previously may be reviewed with regard to compliance with new legislation. In the past, authorities have considered compliance very generously, often favouring perceptions of rights more than responsibilities.
- People attempting to visit or settle in Australia who bypass official procedures would be returned to their own countries as soon as possible, together with an invitation to apply through the official channels. This would apply to all so-called 'boat people' unless compelling compassionate reasons apply.
- The number of immigrants accepted would be adjusted each year to be consistent with published long-term plans for Australian growth. These plans would take into account economics, natural child birth, death-rates, resource sustainability, international factors and compassion for refugees.

9.07 Infrastructure and the environment

All national and local government infrastructures would come within a new set of simple planning regulations, including simplified standards. As with all other areas of KiS government, these regulations would be developed from a ‘clean slate’ approach and be consistent with KiS principles. All government owned or managed infrastructure would be preceded by a publication of all-of-life cost-benefit and risk analyses.

- **Audits:** All national and local government activities would have annual financial and management/operational audits carried out by independent licensed auditors. Auditors would not carry out sequential audits for any government group. Audit results, including recommendations for improvements, would be published as soon as they are completed.
- **Environmental laws** would all be reviewed, again on a ‘clean sheet’ basis. The current complexities and excessive pandering to ‘green’ considerations would be replaced by legislation that is as simple as possible and based on significant evidence. Related processes would also be as simple as possible and completed as fast as is practical. The current practices of stalling approvals interminably for procedural reasons would be excluded.
- **Water:** Planning for water would be carried out by national and local government specialists. All existing subsidies would be phased out. All water management and resources would be provided by competitive private business where this is practical. Where it is not practical for private business to provide a complete water service, national or local government would own related assets or manage the water service. Any water services that are monopolies would comply with monopoly regulations. Dams would be built in suitable locations that comply with new planning and related regulations.
- **Energy:** Planning for energy would also be carried out by national and local government specialists. All existing subsidies would be phased out. All energy generation would be provided by competitive private business. The only aspect of energy that may be owned by government would be the high voltage electricity grids assets that are natural monopolies; in these cases their management would be contracted out. Any generation or transmission that is a monopoly would comply with monopoly regulations.
- **Telecommunications** are currently dominated by the National Broadband Network (NBN), a popular but very confused and exorbitantly costly project. KiS government would, together with the telecommunications industry, define the backbone ‘natural monopoly’ broadband infrastructure (likely to be a much smaller variation on the current NBN project). Private consortia would be invited to tender to take over or complete the building and management of regional components of the backbone. These network components may be interconnected to form a national wholesale network available to all telecommunications retailers and operated within strict and transparent monopoly regulations. All non-core communications would be provided on a competitive basis. Any monopoly services (such as cable to premises) would be subject to monopoly legislation.
- **Compensation:** Individuals and businesses that are adversely affected by changes to infrastructure development would be compensated rapidly and fairly. Disagreements relating to infrastructure would be referred to an ombudsman who would assess competing claims and make recommendations as soon as possible to national or local government as appropriate.
- **Contentious issues** would be resolved by the relevant government group following findings and recommendations from formal enquiry.
- **‘Carbon pollution’:** A Royal Commission would be set up through the Guardian group (see *Section 10.08*) and completed as soon as possible to investigate and assess the relevance of man-made carbon dioxide and related ‘green’ issues to global warming and climate change, with a

particular focus on cost-benefit and risk management. Many related court cases, in particular in the USA and NZ, are expected to provide evidence for this assessment. All findings would be published and recommendations made to government. All national and local government projects and services that include funding relating to AGW would be put on hold until the Royal Commission's findings and recommendations have been completed and government has decided on what action to take. After 'global warming' and related 'green' issues have been assessed, there would be a series of enquiries examining the legality and ethics of related claims, payments and subsidies. Action would be taken based on individual assessments.

9.08 Labour laws and productivity

Section 3.06 described this issue, noting it is very controversial and often very confused. *Section 3.06* also posed the fundamental question: what, if any, rôle should the government and law play in regulating relationships between employers and employees in future? And what, if any, specific needs are there for government to treat these relationships differently from any other commercial relationship which two parties can negotiate legally?

This question will invoke considerable heated argument. In particular, many trade union leaders and their supporters are likely to be appalled that such a question could even be contemplated. Other people who have been engaged for much of their lives in the convoluted and unproductive process of developing, negotiating and applying labour regulations and agreements with unions may be dismayed at the idea that their life-time's work may disappear.

Current labour and related legislation has evolved for what were viewed as sound reasons at the time. But life, work and commerce have changed; many aspects considered vital decades ago are irrelevant now, often detrimental to optimum relationships between employers and employees and certainly unproductive.

KiS is about achieving optimum levels of productivity at the same time as fairness to all stakeholders in the process. So, for instance, regulations must ensure employers do not take unreasonable advantage of employees, and powerful unions do not exert excessive force over employers. But employees and employers should be able to negotiate whatever mutually suits them best with regard to hours of work, overtime or some alternative, amount of holiday *etc.* Most 'industrial' legislation on these and numerous other details has evolved over more than a century and has dubious relevance to present and future workplace relationships.

If further investigations and consultation reveal specific needs for regulations to deal with any employer/employee issues for the future, KiS government would modify commercial laws and regulations in compliance with KiS principles.

If no requirements for additional regulations are identified that cannot be resolved by modifying commercial laws and regulations, the myriad of laws relating to employment conditions would be removed.

Transition would take place gradually to allow all parties to come to grips with new approaches, and to negotiate and agree on arrangements that suit their particular situations and comply with (possibly modified) commercial law.

9.09 Welfare

KiS government would encourage and assist all people living in Australia to be independent.

- Welfare services and funds would be available for limited periods whilst people adjust towards independence.
- Welfare would be available on a continuing basis for people who are physically or mentally unable to become independent.
- Welfare payments would enable people to live comfortable lives consistent with Australian values.
- Social welfare payments to achieve other agendas would cease. For instance, the 'baby bonus' and paid maternity/paternity leave would be phased out.

9.10 Retirement

KiS government would abolish the concept and practice of *fixed* 'retirement age', replacing it with the concept and practice of *individual choice* for deciding when to stop working, fully, in part or at all.

- All people in Australia would be encouraged, and assisted where necessary, to do satisfying work as long as they are mentally and physically capable.
- All Australians would be required to contribute to an approved superannuation scheme that would ensure a basic standard of living when they do not have, or are incapable of gaining, sufficient income.
- There would be transitional arrangements for people in previous schemes that provide insufficient income.
- Welfare arrangements would be available for people who are not capable of providing for themselves.

9.11 Health

Health services would be delivered within a new framework and comply with a set of national standards, both developed on a 'clean sheet' basis. Productivity and value for money would underpin overdue changes to the health industry. Reforms would include: more attention to, and funding for, preventing health problems (based on transparent whole-of-life cost-benefit and risk analyses); enabling people with health problems to remain in the productive workforce; health information technology; care for the aged; and transparent measures of health outcomes. The health framework and standards would be developed and updated with assistance from Australian and international specialists from governments and private sectors.

Health service monitoring would be carried out in conjunction with other local government audits. Delivery of health services would be overseen by local Health Boards:

- Local Health Board members would be elected.
- Local Health Boards would exist primarily to manage contracts to deliver required services that meet national standards.
- Boards would receive national funding on a *per capita* basis to deliver defined health services. Some remote, special needs and low-density areas would have additional funding.
- Health service delivery would be contestable and contracted to private operators where this is practical.
- Health property may be owned and leased by local government or arranged separately by service deliverers.
- Additional national funding would be available for special cases and situations.
- If national standards are not achieved by a local board, the board may be replaced by an administrator with a mandate to achieve compliance and arrange election of a new board.
- As noted in *Section 9.01*, recreational drugs would cease to be illegal. Specific health services would be available to assist drug users as well as alcohol abusers and smokers. Costs of these services would be included in related excise duties.

9.12 Education

The management of education would be carried out in a similar manner to health; that is, within a set of national rules, curricula and performance standards. Education would be managed by local Education Boards affiliated to local councils. Education-monitoring would be carried out in conjunction with other local government audits.

National education standards would be updated to align with KiS principles. Focus would be on ‘the basics’, and ‘outcomes’ more than ‘inputs’. Misuse of excessive, ideological and intrusive standards such as those outlined in *Section 3.07* would be monitored and not allowed.

In particular, ideology within education would require *balance* to be presented. For instance, with regard to the ‘stolen generation’; the Al Gore movie ‘An Inconvenient Truth’; and some left-wing views promoted by the Teachers Union.

Standards of teachers’ practical and theoretical competence and knowledge would also be reviewed.

KiS would ensure the principle of parental choice is paramount – this appears to be anathema to most Teachers Unions – together with accountability of local education establishments. Delivery of educational services would be overseen by local Education Boards:

- Local Education Board members would be elected.
- Boards would exist primarily to manage contracts that deliver required services.
- Boards would receive national funding on a *per capita* basis to deliver defined education services. (Note: alternative funding methods will be considered such as funds for each school child passing directly to the school selected by the child’s parents or guardians.)
- Education services would be contestable and contracted to private operators whenever practical.
- Education property may be owned and leased by local government or arranged for separately by service deliverers.
- Additional national funding would be available for special cases and situations.
- If national standards are not achieved by a local board, the board may be replaced by an administrator with a mandate to achieve compliance and arrange election of a new board.

10. Implementing KiS Government

10.01 Transition plan

Three broad options are suggested for the implementation of KiS government:

- A referendum at the next general election asks voters to approve a program that implements a small number of key elements proposed for KiS government.
- KiS government is elected. Immediate actions include implementing critical elements that would achieve major benefits and demonstrate how KiS government works. Several reviews of other KiS proposals commence.
- KiS government is elected. A full implementation program commences immediately.

Option 1: This option could follow substantial polls and surveys that indicate a significant proportion of voters want a referendum on KiS. The wording of the referendum would be critical, preceded by a major promotion of KiS proposals. If this referendum resulted in a resounding vote in favour, there would be at least another three years before a KiS government could be elected as well as further deterioration into political complexity. Australia has no legal obligation for referenda to be binding, unlike Switzerland, so a favourable result might be ignored.

Option 2: This option assumes a KiS government has been elected. Implementation would start with a few critical elements. The main immediate changes would be:

- replace all Australian taxes with flat service fees as described above;
- shift all State and Territory government rôles to National and Local Government;
- set up reviews of all other major KiS proposals, including expediting a Royal Commission review of ‘carbon pollution’; and
- develop planning and plan guidelines and standards for all government groups.

Option 3: This option also assumes a KiS government has been elected. A critical-path transition plan would be drafted for all KiS government changes as part of the election manifesto. Priority would be given to aspects that create the most benefit or reduce risks and costs such as planning guidelines, or both. Some items that are relatively quick and easy to implement may be carried out as pilots as soon as possible in order to demonstrate: the intended transition approach; learn lessons that can be applied in subsequent transitions; and build confidence in the minds of all people involved.

Priority items could include:

- Selecting a transition leader and establishing a transition coordination group to manage the overall transition plan, coordinate changes, monitor progress and report to parliament. This group would ensure changes affecting several areas of government are coordinated and synchronised where necessary.
- Developing national plans and budgets, including assessing costs and revenue requirements.
- Developing planning and plan guidelines and standards.
- Establishing the enhanced commercial and financial oversight group.
- Establishing the Guardian group (see *Section 10.08*).

- Modifying and implementing immigration laws, and citizenship and visa processes.
- Planning and implementing State and Territory rôle transfers to national and local government.
- Developing details of service fees to meet budget requirements.
- Setting up and funding local Health and Education Boards.
- Changing laws to de-criminalise recreational drugs, and implementing changes to excise duties and their management.
- Setting up the Guardian Group whose work would include expediting a Royal Commission to investigate ‘carbon pollution’.
- Reviewing all international agreements.
- Assessing what assets the State should own and developing plans to change management arrangements or dispose of surplus assets in conjunction with any additional regulations required.
- Developing plans to modify laws and systems of criminal justice.

The following sections assume Option 3 is implemented.

10.02 KiS government activities and resources

KiS government would not carry out activities that can be done at least as efficiently and effectively by private business. Similarly, government would not own resources when other arrangement meets KiS principles. This would require assessing exactly what government needs to own, then a gradual transition program to divest itself of surplus assets and resources.

As a general rule, senior management rôles in government would be undertaken by government staff. Other government activities would be carried out by whoever is the most competent, *i.e.*, government staff or business people. Regular exchanges between government groups and private industry would be encouraged to assist mutual understanding between parties involved in government and related private activities.

Most government staff are competent individuals, committed to their work and 'doing their best'. Government staff have no option but to comply with existing government rules and follow existing government processes. Experience in restructuring government departments in other countries demonstrates that the great majority of staff are capable of transitioning to modern 'best practice' management approaches once they have been convinced these approaches would be retained and not sabotaged by the 'old guard'.

10.03 Planning and plans

Several issues discussed in *Section 3* demonstrate ineffective planning and plans for current and future aspects of life and the environment in Australia. These issues include disasters caused by extreme weather, such as flooding, cyclones and fire. There are also drastic shortfalls in planning for much of Australia's infrastructure, such as health (in particular, hospitals), some state highways, water and dam-management, national broadband network, ports and railways.

Planning is one of the most basic requirements for effective management, as described in *Section 7*. A national planning group would:

- develop a set of planning and plan guidelines and standards;
- ensure the planning process requires formal all-of-life cost-benefit and risk analyses completed and published prior to commitment for major projects and expenditure;
- consolidate major government group plans; and
- require audits of plans and planning processes to ensure compliance with the guidelines and standards.

Guidelines and standards would include processes for resolving issues such as those raised in *Section 3*. Risk management plans would be a key focus, in particular for natural disasters such as flooding, dam construction and management, tsunamis, fire and cyclones. Guidelines would provide for objections from individuals and groups. However, the current processes and practices that enable interminable delays, sometimes for spurious reasons, would be replaced by pragmatic, evidence-based and efficient assessment procedures with time limits. These procedures would not provide for politicians overriding local decisions unless guidelines have not been followed.

The planning group would *not* act like a communist central-planning group that dictates the *content* of national plans.

10.04 International agreements and foreign aid

All Australian international agreements would be reviewed and, after modification in line with KiS values and principles, ratified only if agreements are consistent with post-review Australian laws.

- It is likely that several current United Nations practices and regulations would not comply and would cease to be supported or applied by KiS government.
- Australian foreign affairs representatives would state clearly and publicly why any agreement, or part of an agreement, is not acceptable to Australia.
- All foreign aid would require comprehensive and independent audits to ensure the objectives set for the aid are delivered and that any costs which do not contribute directly to the aid objective are minimised. Preference would be given to providing services, equipment and infrastructure which benefit recipients directly. No payments to intermediaries would be allowed. Any future aid would be dependent on previous audits.

10.05 Asset ownership

KiS Government would own no assets or resources unless better alternatives meets KiS principles.

'Ownership' does not require total control of that asset; for instance, every asset complies with a level of 'control' from several laws. Nor does the owner of an asset have to manage the asset directly; invariably, there are several options as to how management is carried out, and by whom. Nevertheless, ownership does carry with it many responsibilities as well as rights.

In the past, governments have not considered fully the range of options for state asset ownership, focusing often on one or more narrow issues that are politically expedient at the time. The recent example of asset sales by the Queensland government is an example of blinkered thinking: attempting to balance the budget (and failing) with insufficient consideration of many wider issues.

Experience in Australia and many other democracies demonstrates that state asset ownership issues can be complex, but divestment issues can be even more difficult. Railways, usually a 'natural monopoly', provide one example that has rarely been resolved satisfactorily.

- Every significant national asset and resource would be assessed to determine optimum ownership and management. Alternatives would be developed following rigorous cost-benefit and risk analyses.
- Assessment results would be widely publicised and discussed before any decision were made by government, possibly after a referendum.
- Where divestment is agreed to be the optimum solution, a gradual transition program would be implemented. Transition programs would avoid excessive disruption.
- If state ownership should continue, the optimum form of management would be implemented in line with KiS principles.

10.06 Process and regulation simplification

Several of the issues described in *Section 3* noted excessive complexity and bureaucracy that often results in confusion, unproductive effort and distraction from primary roles.

Effort to record and audit past events is often given priority over planning for the future. Recording is necessary for many reasons: to demonstrate compliance with legislation; measuring past performance; and most importantly as one basis for planning. KiS would enable a reversal from the traditional focus on recording to emphasis on planning for future needs and measuring performance against plans.

Outside of government, the majority of effort involved in producing, maintaining and auditing current records usually is for company and individual taxes, and GST. When all taxes are changed to flat service fees, a major proportion of current accounting records and associated compliance effort would be unnecessary.

All national and local government systems and processes would be assessed on a 'clean slate' basis to determine the most efficient and effective methods to achieve their objectives.

Supply-management is expected to yield major savings and improvements. KiS would prioritize defining an optimum set of supply-management processes.

Section 3.14 raised the question of whether some civil servants comply fully with the APS Code of Conduct and APS Values. KiS government would review the APS Code of Conduct and Values for compliance with KiS principles. The Code and Values, together with any amendments, would be applied rigorously, including checks as part of management and operational audit procedures. Complaints may be directed to the Guardian group.

Special consideration would be given to the complex issues involved in international relationships involving accounting, tax and other regulatory regimes.

10.07 Culture and values tests

As noted in *Section 5*, KiS government philosophy, the last point (repeated below) would be tricky to apply and could result in variable and potentially subjective interpretation. Context and individual considerations would be needed to apply this part of Australian culture and values.

Tolerance of other cultures, values and views within Australia *providing* they are reasonably consistent with Australian culture and values.

A series of tests would be developed to ensure each part of the transition program complies with this proviso. The test criteria would be improved progressively as components of the transition are developed. In the meantime, compliance tests would be based on what is generally regarded as 'self-evident'.

10.08 Guardian group and freedom of speech

KiS strongly supports freedom of speech and expression, but recognises some limitations are essential.

Media regulations would be reviewed in order to to implement arrangements for future communications that meet KiS principles.

- Media regulations would apply to all media, including electronic, written and spoken.
- Some media regulations would be less restrictive than at present to meet KiS vision and principles.
- Media regulations would be sufficiently broad to cover potentially harmful communications including the covert, electronic and psychological.
- ‘Whistle-blowing’ law would be modified to ensure genuine ‘whistle-blowers’ can achieve results quickly and safely in the best interests of Australia. Currently there are too many examples of failures, such as the Queensland Health Bundaberg medical case, and ‘whistle-blowers’ being victimised.
- Government-owned or controlled media such as the ABC and SBS are most unlikely to meet KiS criteria, so are expected to be divested (see *Section 10.05*).

Freedom-of-speech laws will be also reviewed on a ‘clean slate’ basis and for compliance with KiS values and principles. One change would be that language which induces others to commit crimes must be illegal. This would include speeches by Muslim extremists that urge followers to break Australian laws – currently it appears that the justice system turns a blind eye to such speeches, often siding with ‘political correctness’ and mindful of difficulties involved in prosecution.

A formal and highly credible Guardian group, including representatives from government, major industries, science, justice, health, media and academia, would be formed to review and advise government. Topics the Guardian group could examine include aspects relevant to: freedom of information; apparent undue influence by individuals, organisations and groups, both Australian and international; and special issues. An initial list of issues for the Guardian group to assess includes:

- ‘Carbon pollution’: all significant related factors that affect Australia.
- Multiculturalism: all significant factors relevant to Australia, and relating to other countries’ experiences and intentions, and including issues relating to Muslims in Australia failing to accept, Australian values, culture and laws.
- Undue or covert influence within Australia by non-government organisations and groups.

The Guardian Group’s reports would be publicly available.

The Guardian Group must not be viewed, or act, as an authoritarian body. Images of George Orwell’s frightening books *1984* and *Animal Farm* are ever present. Some Guardian Group’s members may be elected at general elections. The Chair of the Guardian Group would be an exceptionally respected and capable leader. The Group would be adequately resourced and empowered to undertake in-depth objective investigations prior to making recommendations to government.

In particular, the Group would be aware of the propensity of some researchers and organisations, as well as some government departments in the past, presenting reports that support support government views largely because they are paid to do so even when the evidence indicates other results. The Group would be aware too that some official advisory groups’ processes are seriously flawed.

Government, organisations and individuals would be able to refer issues to the Guardian Group for investigation and recommendations. The Guardian Group would include an ombudsman who would have limited powers to decide and enforce the Group's recommendations, including remediation.

There is a danger that the Guardian Group could be overwhelmed with complaints and referrals. To this end, the Group would have a well-resourced staff to carry out rapid initial assessments of issues. In many cases, a first step may be to suggest the referrer raise the issue with a specific relevant organisation, or for the Guardian Group to contact the organisation. This step may well resolve the majority of issues immediately. A similar result often occurs when a medium is informed of a complaint – broadcasting this information often results in the transgressor resolving the complaint rapidly.

10.09 Communicating KiS changes

Most people dislike change even when the result is likely to benefit them: this reaction is normal human nature. The key to successful change is to engage with all those who would be affected by changes at the earliest time possible and for the duration of the change program. Patience and persistence are vital for effective change. Better to change slowly and methodically than to force change upon unwilling opponents who may then sabotage the process or just accept changes sullenly.

Communicating to large numbers of people presents a massive challenge: over twenty million Australians would be affected by KiS government changes.

KiS government would produce factual information to explain the KiS framework and transition program that all media can use as source material. A wide range of media and methods including one-on-one, industry organisations, direct contact, radio, TV, weblogs and other electronic means would be involved in consultation and to obtain feedback. Stringent efforts would be made to avoid KiS government information and plans being viewed as propaganda. However, it is inevitable that some individuals and organisations would mount intensive campaigns to prevent, delay or sabotage KiS plans.

11. Would the Silent Majority Vote for KiS?

Voters for a KiS government *ideally* should:

- understand and agree with most key issues listed in *Section 3*;
- understand and agree with the reasoning underpinning KiS approaches;
- support the KiS vision;
- support the main changes proposed;
- recognise how these changes would benefit them as individuals;
- recognise how these changes would benefit Australia;
- believe the KiS changes could really happen; and
- resist any temptation to find a flaw and discard the rest.

The list presents a huge communication task for supporters.

The key to attracting support would be to communicate how much better off most Australians would be once the pain of transition has passed and the KiS improvements bring lower taxes, better services, less intrusion and so on.

11.01 Are the silent majority of Australian voters sufficiently fed up?

Section 6 posed a basic question with regard to KiS: are the silent majority of Australian voters sufficiently fed up with the way recent governments have behaved and treated them?

What triggers radical change in government?

A scan of history reveals that numerous countries – democratic and non-democratic – have changed their governments. The French Revolution and the American War of Independence are examples of violent change. Other governments have changed without violence. A simple explanation is that the ‘common man’ has become dissatisfied with the *status quo* such that he not only demands change, he takes action.

Mahatma Gandhi summed up the roots of violence: ‘Wealth without work, pleasure without conscience, knowledge without character, commerce without morality, science without humanity, worship without sacrifice, politics without principles’.

What could trigger radical change in Australian government?

It is unlikely in the extreme that Australia could ever have significant food shortages or a despotic ruler. Modern communication systems enable anger and discontent to spread rapidly, bypassing government attempts to muzzle popular opposition. In democratic countries such as Australia, the relatively free press, together with internet communications, ensure a balance of views is available when governments attempt to overwhelm citizens with propaganda.

The issues listed in *Section 3* suggest there are ample reasons for rejecting recent Australian governments and their approaches. The proposals described in *Section 5* and onwards present solutions that resolve most, if not all complaints by ordinary people. But is it all too difficult? Unfortunately, it is easier just to complain at the pub and at the next barbecue, then vote more or less the same way as last time.

Consider the average politician. Several members entered parliament after a career elsewhere. Too many came from unions and the legal profession, but most, if not all, entered politics with the intention of contributing to the governance of Australia, to making a difference. *Section 3.18* posed the question, 'What sort of person would want to be a politician?' Only a person who thrives on controversy and invective would enjoy being a modern politician. Any politician who wants to achieve practical results must feel thoroughly dismayed and dissatisfied much of the time. The process is pitifully slow and tortuous; mistakes are made over and over again. One explanation for politicians continuing in their roles could be a variation on boiling frog syndrome (see the next section); that is, they have been indoctrinated so gradually that they accept the situation they and all their peers encounter day after day as the normal way of politics.

But what if a politician were exposed to the idea that there really is a better way, a way that would achieve momentous results and be strongly supported by the 'silent majority'? What if the politician suddenly recognised that the 'political water' was too hot and he or she wanted to jump out? But jump whither?

Take me to your leader

KiS approaches are radical rather than populist and cover the whole ambit of popular dissatisfaction. However, a very strong and credible leader would be vital to convey key messages to voters. Elections are often won and lost by perceptions of the party leader, even when there is more rhetoric than substance, as many consider was the case with the US President Obama.

It is important to distinguish between what has been referred to as 'power brokers' and effective leaders. A power broker is a derogatory term for people wielding covert power. A good leader is open and honest, inspires others, has a high level of long-term credibility and is chosen by his or her peers as well as the majority of constituents. A good leader has only enemies who have ideologically different views and want to gain power, often through covert means. As Winston Churchill said: 'You have enemies? Good. That means you've stood up for something, sometime in your life.'

11.02 Boiling frog syndrome

Section 3.19 described how complex peoples' thinking can be. This seems to be opposed to the notion of government succeeding if it be kept simple. Another view of people is that underpinning all that complexity are a few simple, powerful and overriding emotions or behavioural patterns.

One of many theories of human behaviour was presented by Abraham Maslow around 1970. Maslow based his theory of human needs on creative people who used all their talents, potential, and capabilities. Maslow felt that human needs were arranged in a hierarchical order which could be divided into two major groups: basic needs and 'metaneeds' (higher order needs). He defined basic needs as physiological, such as food, water, and sleep; and psychological, such as affection, security, and self-esteem. He further defined metaneeds or 'being needs' (growth needs) as including justice, goodness, beauty, order, unity, *etc.* Basic needs normally take priority over these metaneeds: for example, a person who lacks food or water would not normally attend to justice or beauty needs.

For the purpose of KiS, the key point is that most theories of human behaviour broadly support the notion above that most, if not all, people have a small number of powerful and overriding emotions which dictate their behaviour when called into play.

The boiling frog syndrome is based on studies which describe a frog slowly being boiled alive. When a frog is placed in a saucepan of hot water, it will usually jump out immediately, but if it is placed in cold water which is slowly heated, it will not notice the danger and can be cooked to death. The syndrome is often used as a metaphor for the inability of people to react to significant changes that occur gradually until it is too late.

11.03 An about-turn by politicians as well as the silent majority?

Another possibility is that because many, if not all, the KiS proposals are such obvious common sense, a groundswell of influential politicians would examine their views and behaviour and decide they want to escape and start achieving solutions their constituents want. These politicians would reflect on the invective, the polarisation, the focus on point-scoring, the clamour to dominate the 24-hour news cycle, the way politics seems to be sinking to an even lower level of trustworthiness in surveys. These points and more personal issues may lead them to realise it is time for fundamental change in government, a 180 degree turn. They may have the courage to extract themselves from the vicious cycle that politics has descended into; to escape from the abrasive confrontational exchanges and ‘political entropy’. If the groundswell of public opinion against government continues with increases noted in national surveys, surely most politicians would start asking themselves if the current course is sustainable, or whether major change in direction is called for?

Consider one example of a possible *volte face*: the Queensland Premier, Anna Bligh. At the end of 2010 polls showed her popularity was plummeting, hitting new lows. Her asset-sale program was hated by unions, the Queensland Health payroll was recognised as a fiasco and the wild rivers legislation is widely considered a sop to environmentalists and a minority of Aboriginals. Yet, as floods devastated Queensland, Bligh demonstrated some leadership – compassion, control, honesty and action; a far better showing than Prime Minister, Julia Gillard, who was seen as insincere and unemotional (until latterly she held back tears when describing the Queensland flood disaster). Clearly, Bligh has the capability to lead, but would she now see the errors of her ways and have the courage to change direction? A commission of enquiry with the powers of a Royal Commission is considering the devastating floods, and would provide recommendations for major change in many aspects of government planning and operational management. Real judgment on Bligh must also take in what her government did to cause or mitigate this disaster as well as failures such as the Health payroll. Would voters really believe a ‘born again’ Anna Bligh?

A brace of wise sayings provide more food for thought:

- As the most famous economist, John Maynard Keynes, said: ‘When the facts change, I change my mind. What do you do, sir?’
- Most politicians seem to have forgotten Abraham Lincoln’s famous quote: ‘You may fool all the people some of the time, you can even fool some of the people all of the time, but you cannot fool all of the people all the time.’

Check the humorous letter presented in *Appendix D: Australia divorce*. Then note *Appendix E: ‘I’m tired (US)’ and ‘What good people do’*. Could these stories, albeit different, be symptomatic of a serious split between the ‘silent majority’ and an increasingly intrusive and dominating government manipulated by power brokers, ideologues and their supporters? *Section 3.19* provides a range of examples of this growing split.

A colleague of the author expressed a pessimistic view:

There are now too many people reliant on the *status quo* for there to be the sort of mandate for change that you seek. There has been too much reliance on election bribes for people to willingly stop taking them. Governments in need of general consensus from many fragmented groups are now hostage to the ‘civil service’ who can now win or lose elections due to their size. I think it is game over for democracy. But this would take years to unfold – perhaps five to ten years. Even so the process would not be pretty. Greed is

extant. 2011, as the year of the money printers, would make things seem like a recovery is in the wings, but it is not. Nevertheless, persuading people of the need for major change is likely to get harder.

Section 5 noted there is no sign that the rate of growth in government complexity is slowing, so there is no reason to suppose complexity will not get worse as each year passes. Projecting increasing complexity forward, unless something radical or entirely different happens to reverse the process, complexity will eventually 'suffocate' Australia in a morass of intrusive regulations and government failures. Is this another possible application of boiling frog syndrome? At what point would the 'silent majority', or possibly some of the more enlightened politicians, say: 'STOP!'

Perhaps there is hope: as *The Australian* editorial noted after the NSW Labor Government was defeated by the Coalition:

Shameless as the spinmeisters of NSW Labor have been, there was no way to spin away the devastating message from the weekend election. People power in its purest form emphatically punished Labor after 16 years in power, reducing what's been the traditional party of government in the nation's most populous state to just 20 or so seats in a parliament of 93. This was a clear repudiation of the 24-hour spin model of government, where media cycles were more important than policy achievements, and spin doctors were more prevalent than competent ministers. The dual intent of voters was clear; they castigated Labor and embraced the Coalition's promise of *honest, accountable and responsive* government. This is a tectonic shift in the national political geography that will unleash a tsunami of repercussions across NSW and federal politics.

Watch this space—

Returning now to the opening statement in the report introduction: 'The objective of this report is to find out whether sufficient Australian voters would support a new form of government that matches what most of the 'silent majority' appear to want: credible solutions to the many problems recent governments have failed to fix.'

Is the 'silent majority' so fed up with existing government(s) that they would vote for a KiS government that could resolve most, if not all, their complaints? Would sufficient candidates of the requisite competence and credibility stand for and promote a KiS government? Would an existing political party adopt such radical policies if it became clear an uprising of dissatisfied voters is demanding radical change?

Or has boiling frog syndrome got too firm a hold, and will political entropy prevail in Australia?

As the media say, wide-eyed and breathlessly, 'watch this space'—

Appendices

A. Australian Immigration History

This report concerns the government of Australia. As such it is useful to review some of the history of Australia, in particular with regard to immigrants, as a reminder as to how this country evolved.

Historians tell us that some 50,000 years ago Aboriginals started arriving in Australia via what is now called Indonesia. From the early 17th century onwards, Australia experienced the first coastal landings and exploration by European explorers.

After the British Empire lost control of the United States, Britain needed a new penal colony for the relocation of convicts in its overcrowded prisons. In 1787, the First Fleet of 11 ships and about 1350 people under the command of Captain Arthur Phillip set sail for Australia. On 26 January 1788 (a date now celebrated as Australia Day, but regarded as 'Invasion Day' by a few Aboriginal people and their supporters) a landing was made at Sydney Cove. The new British colony was formally proclaimed as the Colony of New South Wales on 7 February 1788.

There's gold in them thar hills

The discovery of gold in 1851 transformed Australia economically, politically and demographically. Gold rushes occurred hard on the heels of a major worldwide economic depression. As a result about 2% of the population of the British Isles emigrated to New South Wales and Victoria during the 1850s. There was also a significant number of continental Europeans, North Americans and Chinese arrivals.

In 1851 the Australian population was 437,000, of which 77,000, almost 18%, were Victorians. A decade later the Australian population had grown to 1,151,000 and the Victorian population had increased to 538,000; just under 47% of the Australian total, a sevenfold increase. The rapid growth was predominantly a result of the gold rushes.

During the latter half of the nineteenth century several colonies funded the immigration of skilled immigrants from Europe, starting with the assistance of German vintners to South Australia.

After the gold rush, subsidies were needed to attract immigrants

The government found that if it wanted immigrants it had to subsidize migration; the great distance from Europe made Australia a more expensive and less attractive destination than Canada and the United States. The number of immigrants needed during different stages of the economic cycle could be controlled by varying the subsidy. Before federation in 1901, assisted migrants received passage assistance from colonial government funds; the British government paid for the passage of convicts, paupers, the military and civil servants.

After World War II, Australia launched a massive immigration program, believing that having narrowly avoided Japanese invasion, Australia must 'populate or perish'. Hundreds of thousands of displaced

Europeans, including for the first time large numbers of Jews, emigrated to Australia. More than two million people emigrated to Australia from Europe during the twenty years following the end of the war.

Although Britain and Ireland remained the predominant source of immigrants, other European countries such as Greece, Italy, Germany, Yugoslavia and the Netherlands also became major contributors. Political refugees fleeing dictatorships in Spain and Portugal, and Communism in Hungary, Czechoslovakia, Poland and the former Soviet Union (Russia) were also included in the figures.

Australia actively sought these immigrants, and with the government assisting many of them they found work due to an expanding economy and major infrastructure projects such as the Snowy Mountains Scheme. This wave of immigration greatly changed the character of Australian society, which before the war had been mono-culturally Anglo-Celtic. Immigration was still restricted to Europeans in most circumstances, although the White Australia Policy was gradually eased from the 1950s onwards.

Immigration policy shifts to multiculturalism

During the 1970s around 90,000 Indo-Chinese refugees were resettled in Australia. During that decade, Australia first began to adopt a policy of what Minister of Immigration Al Grassby termed 'multiculturalism'. The influx of Asian immigrants was also due to the abolition of the White Australia Policy in 1972, under Prime Minister Gough Whitlam. The development of Australia's multicultural policy was heavily influenced by the Galbally Report of 1978, which addressed various issues with living in and planning for a multicultural Australian society.

The history of Australia migration is closely linked to the world events.

- The fall of Saigon in 1975 signalled the start of migration waves from Indo-China to the Western World, including Australia.
- East Timor – the fall of Dili to Indonesian's troops in 1975 forced many East-Timor residents to take refuge in Australia.
- Dictatorships in South America – political dissidents from Chile, Argentina and Uruguay fled right-wing military regimes during the 1970s. A significant percentage of political refugees sought asylum in Australia.
- Tiananmen Square massacre – Prime Minister Bob Hawke made a very emotional speech after the Tiananmen Square massacre in June 1989. He granted permanent residency to many Chinese students in Australia.
- The Yugoslav Wars in the Balkans (1991–2001) drove many Albanians, Bosnian Muslims, Croats and Serbs to settle in Australia.
- After the Jakarta riots of May 1998 migrants from Jakarta trickled in to major cities in Australia. The impact can be observed in the increase of number of Indonesian restaurants, groceries stores, print publications and churches
- As a predominantly European nation on the periphery of Asia, Australia has long feared being demographically overwhelmed by the heavily-populated Asian countries to its north. Following the attacks on Darwin and the associated fear of Imperial Japanese invasion in WWII, Minister of Immigration Arthur Calwell stated in 1947: 'We have 25 years at most to populate this country before the yellow races are down on us.' This concern about Australia's demographic vulnerability was a driving force behind the country's massive post-war program of European immigration. However, by the late 1970s, the abolition of the so-called 'White Australia Policy' had led to a significant increase in immigration from Asian and other non-European countries.

- In March 1984, Professor Geoffrey Blainey, one of Australia's most significant historians, made a speech criticizing what he saw as the disproportionately high levels of Asian immigration to Australia. Blainey's remarks touched off a flood of debate and controversy about immigration and multiculturalism, known as the 'Blainey debate'. In 1984 he wrote a book outlining his ideas on immigration and multiculturalism titled *All for Australia*. Blainey remained a persistent critic of multiculturalism throughout the 1980s, claiming multiculturalism was a 'sham', 'anti-British' and threatened to transform Australia into a 'cluster of tribes'.
- Blainey's views were echoed by some politicians. In August 1988, John Howard, then opposition leader, launched the One Australia policy, stating that he believed the rate of Asian immigration into Australia should be slowed down for the sake of social cohesion. He stated: 'I do believe that if it is – in the eyes of some in the community – too great, it will be in our immediate-term interest and supporting of social cohesion if it were slowed down a little, so the capacity of the community to absorb it was greater.'
- In the 1996 election Pauline Hanson was elected to the federal seat of Oxley. In her maiden speech to the House of Representatives, which instantly made headlines and television news bulletins across Australia, she expressed her concern that Australia 'was in danger of being swamped by Asians'. This message exposed a population deeply divided on the issue of immigration.
- Hanson went on to form the One Nation Party, which subsequently won nearly one quarter of the vote in Queensland state elections. The name One Nation was meant to signify national unity, in contrast to what Hanson claimed to see as an increasing division in Australian society caused by government policies favouring migrants (multiculturalism) and indigenous Australians. Political ineptitude and infighting led to One Nation's demise, but the issue of immigration remains highly sensitive in Australia.
- Prime Minister John Howard's campaigning on issues of 'border protection' at the 2001 federal election were widely seen as a successful effort to win One Nation voters back to the Liberal and National parties.
- In the early 1990s Australian immigration legislation was changed dramatically, introducing the concept of mandatory detention of unauthorized arrivals, who were popularly referred to as boat people. With a sharp rise in unauthorized boat arrivals in the late 1990s, mostly from war-torn countries such as Iraq and Afghanistan, the Howard government enforced the mandatory detention policy created by the previous Paul Keating government. This came to international attention during the Tampa affair of 2001.
- During the 2001 election campaign, immigration and border protection became the hot issue as a result of incidents such as the Tampa affair, the children overboard affair and the sinking of the SIEV-X. This was a major factor contributing to the victory of the Coalition, deemed impossible only a few months earlier, and also marked the beginning of the controversial Pacific Solution.
- After the election, the government continued with its hard line on unauthorized arrivals of asylum seekers. Legislation was developed to excise certain islands from Australia's migration zone meaning that if asylum seekers landed on an excised island, Australia was not required to provide access to the Australian courts or permanent settlement. Australia still adheres to its international obligations by considering such refugee applications offshore and providing temporary protection visas to those in genuine need of protection.
- By 2004, the number of unauthorized boat arrivals had been reduced dramatically. The government argued that this was the result of its strong policy towards asylum seekers. Others argued that the decrease was the result of global factors, such as changing circumstances in the primary source nations of Afghanistan and Iraq.

Australia accepted 87,000 immigrants in 1994-95, the last financial year before the Howard Government was elected. Planned immigrant intake was reduced to 68,000 following the election of John Howard in 1996.

In 2004-05, Australia accepted 123,000 new settlers, a 40 per cent increase over the past 10 years. The largest number of immigrants (40,000 in 2004/05) moved to Sydney. The majority of immigrants came from Asia, led by China and India. There was also significant growth in student numbers from Asia, and continued high numbers of tourists from Asia.

Immigrant numbers doubled in a decade

Planned immigrant intake in 2005/06 had more than doubled compared with the intake of 1996. As at 2007 immigration accounted for just over half the overall growth in Australia's population. In NSW and South Australia about three-quarters of the population growth could be attributed to immigration.

The planned intake for 2007/08 was almost 153,000 – plus 13,000 under the humanitarian program and in addition 24,000 New Zealanders were expected to migrate under specific trans-Tasman agreement.

Since the 1988 Fitzgerald Inquiry, the quota for skilled and business migrants has risen compared with the quota for family reunions.

The Howard government tackled people-smugglers

The Howard government took hard decisions and deliberately designed them to appear even tougher than they were. This sent an unambiguous message to places where the prospective customers of people-smugglers were gathering: if you attempt an unauthorised arrival you may never get to Australia, and if you do make it into the country you may not receive permanent residency. Cruel, claimed many. But to the extent that it was cruel, it was cruel to be kind. It did not reduce the number of refugees who received sanctuary in Australia. Australia still filled her humanitarian quota; only the refugees were chosen through orderly process, not self-selected by access to a people-smuggler's fare or a willingness to take terrible risks.

In October 2007, the Australian government announced a ban on refugees from Africa, which would be reviewed in mid-2008. Immigration Minister Kevin Andrews stated that refugees from Sudan and Darfur were having problems integrating and that refugees from Burma and Afghanistan should take priority. However, after the Rudd Labor government was elected on the 25 November 2007, Australia's stance on keeping refugees off shore changed and on 8 February 2008, Prime Minister Kevin Rudd announced that all refugees kept on Nauru would be moved to Australia. This signalled the end of the 'Pacific Solution'.

Kevin Rudd opened the boat-people floodgates

When it came to power, Labor set about unravelling the tough Pacific Solution regime. It was a way to be popular, to appease the emotive pleadings of people such as Hanson-Young and other potential Greens voters. Labor was warned as it did this that it would restart the people-smuggling business. Then opposition immigration spokesman Chris Ellison said: 'The weakening of Australia's strong immigration detention policy would send a clear message to the region that we are relaxing border control. The intelligence we have demonstrates there are still people-smugglers in the region.'

Proclaiming the end of the so-called Pacific Solution, Labor broadcast that most of the asylum-seekers the previous government had sent to Nauru were resettled in Australia anyway. This, they said, betrayed the futility of the Pacific Solution.

The contrary viewpoint was it demonstrated the genius of that arrangement. Refugees eventually and quietly were provided with the new life they sought. But the hardline perception was maintained to dissuade more asylum-seekers.

Since the policy softening in 2008, boat arrivals have accelerated, detention centres have filled and two fatal tragedies have taken more than fifty lives. Tony Abbott, the Coalition opposition leader, warned on a TV program in October 2009 that 'once the flow starts, who knows how many of them might end up perishing at sea'. A few months later he told a news conference: 'What endangers lives is contracting out Australia's immigration program to people-smugglers. What endangers lives is doing anything that encourages people to take to the sea in leaky boats.'

B. The Greens' Agenda

This appendix comprises extracts from an article written for *Quadrant Online* by The Hon. Kevin Andrews, the shadow minister for Families, Housing and Human Services.

The Australian Greens state their objective is: 'to transform politics and bring about Green government.' This objective involves a radical transformation of the culture that underpins Western civilisation. The Australian Greens are part of a worldwide movement that is actively engaged in the political process.

The Greens operate from a set of ideological principles and beliefs that extend beyond the warm, cuddly environmentalism they wrap themselves in. While 'environmentalism' lies at the core of the Greens' ideology, their policies, if ever enacted, would radically change the economic and social culture of Australia.

While the Greens appeal to an alliance of young, tertiary-educated students and professionals, the party has increasingly been infiltrated at the parliamentary level by members of the hard left.

The description of 'ecological Marxism' sums up the two core beliefs of the Greens. First, the environment or the ecology is to be placed before all else. Second, the Greens are Marxist in their philosophy and display the same totalitarian tendencies of all previous forms of Marxism as a political movement; totalitarian meaning the subordination of the individual in the impulse to rid society of all elements that, in the eyes of the adherent, mar its perfection.

For the Greens, a pristine global environment represents earthly perfection. It underpins their 'ecological wisdom' and is at the core of their ethic. It is to be protected and promoted at all costs. Hence, all old growth forests are to be locked up; logging is to be prohibited; wealth is to be scorned; economic growth is opposed; exclusive ownership of property is questioned; there should be a moratorium of fossil fuels exploration; dam construction should be discouraged; genetic engineering and agricultural monoculture is rejected; world trade should be reduced; and a barter economy encouraged. It explains why the Greens believe the world's population is excessive and should be reduced, and why human consumption should be cut.

The Greens also call for 'the Universal Declaration of Human Rights to be amended to include rights to a healthy natural environment and intergenerational rights to natural and cultural resources'. In turn, the Greens would be able to rely on international courts and fora to press their agenda. The Greens' belief in their environmental nirvana manifests itself in a new coercive utopianism.

The Greens' 'ecological wisdom' is the principle upon which all other policies are founded: 'economic development must be compatible with, *and subservient to*, ecological sustainability'. Consistent with this principle, the Greens advocate high levels of state ownership in the economy and an expanded role for the bureaucracy, including an extensive international regulatory bureaucracy. They advocate government ownership of natural monopolies, and government investment in strategic assets. They question economic growth, advocate higher taxes and seek the introduction of death duties and resource taxes. Wealth is scorned. The fact that wealth generation has resulted in economic prosperity for both individuals and the nation, and lifted many people out of poverty, is of less significance than the deification of the environment.

The Greens would privilege unions, providing more extensive right-of-entry provisions, abolish secret ballots for union action, water down independent contractors' legislation, abolish the Building and Construction Commission, and introduce a minimum of five weeks annual leave. They would allow secondary boycotts and industry-wide strikes. The Greens also support the privileged position of unions in New South Wales to be able to prosecute work and safety breaches and profit from the actions. Despite the boast in 1996 that 'we do not get money from big business or the big trade unions', the Greens have been recipients of substantial donations from left-wing unions in recent years.

The Green's Global Charter advocates 'eliminating the causes of population growth'. Elsewhere, they propose limiting the expansion of cities, opposing freeways, and imposing eco-taxes. In their policy documents, the Greens state that 'population policy should not be driven by economic goals or to counter the effects of an ageing population'.

Consistent with their belief that the world is overpopulated and the environment is in danger, the Greens want to reduce immigration. The reduction should be in the numbers of skilled immigrants, while numbers in the refugee and humanitarian categories should be increased. The Greens propose an open-door policy for asylum-seekers. They would increase the number of places, remove mandatory detention laws, abolish the rule against refugees gaining permanent protection if they had spent time in a third country, restore the migration zone to include places like Christmas Island and Ashmore Reef, provide immediate legal assistance to all claimants and allow free movement around the nation with access to services.

In addition, the Greens propose that 'Australia adopts a definition of environmental refugees in its assessment criteria and works in the UN system for inclusion of a definition in the United Nations Refugee Convention'.

The Greens' documents speak of 'participatory democracy' as one of their foundation principles, but they favour global and central decision-making: Hence the creation and expansion of international bodies, including the United Nations and new world environmental courts.

Conclusion

What is at stake in the Greens' 'revolution' is the heart and soul of Western civilisation, built on the Judeo-Christian/Enlightenment synthesis that upholds the individual—with obligations and responsibilities to others, but ultimately judged on his or her own conscience and actions—as the possessor of an inherent dignity and inalienable rights. What is also at stake is the economic system that has resulted in the creation of wealth and prosperity for the most people in human history.

C. 'Carbon Pollution' in the UK

Christopher Brooker wrote this alarming article, published in the British *Sunday Telegraph*. The abbreviated version below includes the major points that are relevant to this report:

'In 2010 the UK is experiencing the coldest December since records began in 1659, the harshest of three freezing winters in a row. Six months prior, the Transport Secretary called for reports on how the UK might avoid a repeat of the previous winter's disruption.

The reports noted they had consulted the Met Office, which advised them that, despite two harsh winters in succession, these were "random events", the chances of which, after our long previous run of mild winters, were only twenty to one. Similarly, they were told in the summer, the odds against a third such winter were still only twenty to one. So it might not be wise to spend billions of pounds preparing for another "random event" when its likelihood was so small. The reports ignored the fact that in the past three years the Met Office's forecasting record had become a national joke.

Ever since it predicted a summer warmer and drier than average in 2007 – followed by some of the worst floods in living memory – its forecasts have been unerringly wrong. The real question, however, is why has the Met Office become so astonishingly bad at doing the job for which it is paid nearly £200 million a year – in a way which has become so stupendously damaging to our country?

The answer is that in the past twenty years, as can be seen from its website, the Met Office has been hijacked from its proper role to become wholly subservient to its obsession with global warming. This all began when its then-director John Houghton became one of the world's most influential promoters of the warmist gospel. He, more than anyone else, was responsible for setting up the UN's Intergovernmental Panel on Climate Change and remained at the top of it for thirteen years. It was he who, in 1990, launched the Met Office's Hadley Centre for Climate Change, closely linked to the Climatic Research Unit in East Anglia (CRU), at the centre of last year's 'Climategate' row, which showed how the little group of scientists at the heart of the IPCC had been prepared to bend their data and to suppress any dissent from warming orthodoxy.

The reason why the Met Office gets its forecasts so hopelessly wrong is that they are based on those same computer models on which the IPCC itself relies to predict the world's climate in 100 years time. They are programmed on the assumption that, as CO₂ rises, so temperatures must inexorably follow. For seventeen years this seemed plausible, because the world did appear to be getting warmer. *Dr David Viner* of the CRU famously predicted to *The Independent* in 2000 that 'within a few years winter snowfall would be a very rare and exciting event'.

In 2007 the computer models got caught out, failing to predict a temporary plunge in global temperatures of 0.7°C, more than the net warming of the 20th century. Much of the northern hemisphere suffered what was called in North America 'the winter from hell'. The Met Office simply went into denial. Its senior climate change official, Peter Stott, said in March 2009 that the trend towards milder winters was likely to continue. There would not be another winter like 1962/3 'for 1,000 years or more'. Last winter was colder still.

The consequences of all this are profound. Those who rule over our lives have been carried off into a cloud-cuckoo-land for which no one was more responsible than the zealots at the Met Office, subordinating all it

does to their dotty belief system. Significantly, its chairman, *Robert Napier*, is not a weatherman but a 'climate activist', previously head of WWF-UK, one of our leading warmist campaigning groups.'

Now consider an update on the article above from *Benny Peiser*, Director of *The Global Warming Policy Foundation*, London, 6 January 2011 (abbreviated):

'In a letter to the Chair of the Transport Committee, *Louise Ellman*, MP, the GWPF stresses that "Lessons have to be learned well in advance of the start of next year's winter so that we are much better prepared if it is severe again."

In recent days, the Met Office has stated that it apparently warned the Cabinet Office in late October that the start of the winter would be exceptionally cold. It would appear that the extreme weather warning was kept secret from the public. According to media reports, the Cabinet Office has been unwilling to confirm whether or not it failed to pass on the Met Office warning to local and road authorities, airports and water companies. "Not only is the lack of Government preparedness a cause for concern, but we wonder whether there may be another reason for keeping the cold warning under wraps, a motive that the Met Office and the Cabinet Office may have shared: Not to undermine the then forthcoming UN Climate Change Conference in Cancun,'

Christopher Booker followed up his previous article after further information as noted above: 'First it was a national joke. Then its professional failings became a national disaster. Now, the dishonesty of its attempts to fight off a barrage of criticism has become a real national scandal. I am talking yet again of that sad organization the UK Met Office, as it now defends its bizarre record with claims as embarrassingly absurd as any which can ever have been made by highly-paid government officials.'

Another view was expressed by cartoonist *Josh*, with apologies to the Bard: 'Now is the winter of our discontent, made glorious by the Met office computer'.

D. Society splits (1): Australian divorce

The following letter from an Australian law student is entertaining and light-hearted, but perhaps crystallizes a growing gap within Australia:

Dear Australian Laborites, leftists, social progressives, socialists, Marxists and Gillard, et al:

We have stuck together since the late 1950's for the sake of the kids, but the whole of this latest election process has made me realize that I want a divorce. I know we tolerated each other for many years for the sake of future generations, but sadly, this relationship has clearly run its course.

Our two ideological sides of Australia cannot and would not ever agree on what is right for us all, so let's just end it on friendly terms. We can smile and chalk it up to irreconcilable differences and go our own way.

Here is a model separation agreement:

Our two groups can equitably divide up the country by landmass each taking a similar portion. That would be the difficult part, but I am sure our two sides can come to a friendly agreement. After that, it should be relatively easy! Our respective representatives can effortlessly divide other assets since both sides have such distinct and disparate tastes.

We don't like redistributive taxes so you can keep them. You are welcome to the ACTU, the Fabian Society and every member of Emily's List. Since you hate guns and war, we'll take our firearms, the cops and the military. We'll take the nasty, smelly oil industry and you can go with wind, solar and biodiesel. You can keep the ABC left wingers (particularly Kerry O'Brien) and Bob Brown. You are, however, responsible for finding an electric vehicle big enough to move all of them.

We'll keep capitalism, greedy corporations, pharmaceutical companies, Woolworths and the Stock Exchange. You can have your beloved lifelong welfare dwellers, dole bludgers, homeless, homeboys, hippies, druggies and boat people. We'll keep the budgie-smuggling, bike-riding, volunteer firemen and lifesavers, greedy CEOs and rednecks. We'll keep the Bibles and the churches and give you SBS and the Greens.

You can make peace with Iran, Palestine and the Taliban and we'll retain the right to stand up and fight when threatened. You can have the greenies and war protesters. When our allies or our way of life are under assault, we'll help provide them security.

We'll keep our Judæo-Christian values. You are welcome to Islam, Scientology, Humanism, political correctness and Penny Wong. You can also have the U.N. But we would no longer be paying the bill.

We'll keep the 4WDs, utes and V8s. You can take every hybrid hatchback you can find.

We'll keep 'Waltzing Matilda' and our National Anthem. I'm sure you'll be happy to keep in tune with Peter Garrett as he sings 'Imagine', 'I'd Like to Teach the World to Sing', 'Kum Ba Ya', 'We Are The World' and his recent big solo hit 'Beds and Batts are Burning'.

We'll practice trickledown economics and you can continue to give trickle up poverty your best shot. Since it so often offends you, we'll keep our history, our name and our flag.

Would you agree to this? If so, please pass it along to other like-minded conservative Australians and if you do not agree, just hit delete. In the spirit of friendly parting, I'll bet you answer which one of us would need whose help in 15 years.

Sincerely

John

E. Society splits (2): 'I'm tired' (US)

Unlike the previous letter, this is neither entertaining nor light-hearted. But the sentiments have underlying similarities. The writer is fed up with what his government is doing and allowing to happen. Is he a newly recruited member of the 'silent majority'?

The following article is from *Robert A. Hall*, a Marine Vietnam veteran who served five terms in the Massachusetts State Senate. Hall contributes as The Old Jarhead on weblog tartanmarine.blogspot.com.

'I'm 63. Except for one semester in college when jobs were scarce and a six-month period when I was between jobs, but job-hunting every day, I've worked, hard, since I was 18. Despite some health challenges, I still put in 50-hour weeks, and haven't called in sick in seven or eight years. I make a good salary, but I didn't inherit my job or my income, and I worked to get where I am. Given the economy, there's no retirement in sight, and I'm tired. Very tired.

I'm tired of being told that I have to 'spread the wealth' to people who don't have my work ethic. I'm tired of being told the government would take the money I earned, by force if necessary, and give it to people too lazy to earn it.

I'm tired of being told that I have to pay more taxes to 'keep people in their homes.' Sure, if they lost their jobs or got sick, I'm willing to help. But if they bought McMansions at three times the price of our paid-off, \$250,000 condo, on one-third of my salary, then let the left-wing Congress-critters who passed Fannie and Freddie and the Community Reinvestment Act that created the bubble help them with their own money.

I'm tired of being told how bad America is by left-wing millionaires like Michael Moore, George Soros and Hollywood Entertainers who live in luxury because of the opportunities America offers. In thirty years, if they get their way, the United States would have the economy of Zimbabwe, the freedom of the press of China, the crime and violence of Mexico, the tolerance for Christian people of Iran, and the freedom of speech of Venezuela.

I'm tired of being told that Islam is a 'Religion of Peace' when every day I can read dozens of stories of Muslim men killing their sisters, wives and daughters for their family 'honour'; of Muslims rioting over some slight offense; of Muslims murdering Christian and Jews because they aren't 'believers'; of Muslims burning schools for girls; of Muslims stoning teenage rape victims to death for 'adultery'; of Muslims mutilating the genitals of little girls; all in the name of Allah, because *The Qur'an* and Sharia law tells them to.

I'm tired of being told that 'race doesn't matter' in the post-racial world of Obama, when it's all that matters in affirmative action jobs, lower college admission and graduation standards for minorities (harming them the most), government contract set-asides, tolerance for the ghetto culture of violence and fatherless children that hurts minorities more than anyone, and in the appointment of U.S. Senators from Illinois.

I think it's very cool that we have a black president and that a black child is doing her homework at the desk where Lincoln wrote the Emancipation Proclamation. I just wish the black president was Condi Rice, or someone who believes more in freedom and the individual and less arrogantly of an all-knowing government.

I'm tired of being told that out of 'tolerance for other cultures' we must let Saudi Arabia use our oil money to fund mosques and Mandrassa Islamic schools to preach hate in America , while no American group is allowed to fund a church, synagogue or religious school in Saudi Arabia to teach love and tolerance.

I'm tired of being told I must lower my living standard to fight global warming, which no one is allowed to debate. My wife and I live in a two-bedroom apartment and carpool together five miles to our jobs. We also own a three-bedroom condo where our daughter and granddaughter live. Our carbon footprint is about 5% of Al Gore's, and if you're greener than Gore, you're green enough.

I'm tired of being told that drug addicts have a disease, and I must help support and treat them, and pay for the damage they do. Did a giant germ rush out of a dark alley, grab them, and stuff white powder up their noses while they tried to fight it off? I damn sure think druggies chose to take drugs. And I'm tired of harassment from cool people treating me like a freak when I tell them I never tried marijuana.

I'm tired of illegal aliens being called 'undocumented workers,' especially the ones who aren't working, but are living on welfare or crime. What's next? Calling drug dealers 'Undocumented Pharmacists'? And, no, I'm not against Hispanics. Most of them are Catholic, and it's been a few hundred years since Catholics wanted to kill me for my religion. I'm willing to fast track for citizenship any Hispanic person who can speak English, doesn't have a criminal record and who is self-supporting without family on welfare, or who serves honourably for three years in our military... Those are the citizens we need.

I'm tired of latte liberals and journalists, who would never wear the uniform of the Republic themselves, or let their entitlement-handicapped kids near a recruiting station, trashing our military. They and their kids can sit at home, never having to make split-second decisions under life and death circumstances, and bad mouth better people than themselves. Do bad things happen in war? You bet. Do our troops sometimes misbehave? Sure. Does this compare with the atrocities that were the policy of our enemies for the last fifty years and still are? Not even close. So here's the deal. I'll let myself be subjected to all the humiliation and abuse that was heaped on terrorists at Abu Ghraib or Gitmo, and the critics can let themselves be subject to captivity by the Muslims who tortured and beheaded Daniel Pearl in Pakistan, or the Muslims who tortured and murdered Marine Lt. Col. William Higgins in Lebanon, or the Muslims who ran the blood-spattered Al Qaeda torture rooms our troops found in Iraq, or the Muslims who cut off the heads of schoolgirls in Indonesia because the girls were Christian. Then we'll compare notes. British, Canadian and American [and Australasian] soldiers are the only troops in history that civilians came to for help and handouts, instead of hiding from in fear.

I'm tired of people telling me that their party has a corner on virtue and the other party has a corner on corruption. Read the papers; bums are bipartisan. And I'm tired of people telling me we need bipartisanship. I live in Illinois, where the 'Illinois Combine' of Democrats has worked to loot the public for years. Not to mention the tax cheats in Obama's cabinet.

I'm tired of hearing wealthy athletes, entertainers and politicians of both parties talking about innocent mistakes, stupid mistakes or youthful mistakes, when we all know they think their only mistake was getting caught. I'm tired of people with a sense of entitlement, rich or poor.

Speaking of poor, I'm tired of hearing people with air-conditioned homes, colour TVs and two cars called poor. The majority of Americans didn't have that in 1970, but we didn't know we were 'poor.' The poverty pimps have to keep changing the definition of poor to keep the dollars flowing.

I'm real tired of people who don't take responsibility for their lives and actions. I'm tired of hearing them blame the government, or discrimination or big-whatever for their problems.

Yes, I'm damn tired. But I'm also glad to be 63. Because, mostly, I'm not going to have to see the world these people are making. I'm just sorry for my granddaughter.'

F. The Silent Majority (3): What good people do

By Joel Bowman, contributor to *The Daily Reckoning Australia* newsletter:

Left alone, good people tend to do good things. And, when free of coercion, force, violence or other tools the state employs to foster and maintain a more ‘responsible,’ ‘socially conscious’ citizenship, most people tend to be good...all on their own.

Nowhere was this better expressed during the past few weeks than in flood-stricken Queensland (and, more lately, in Victoria). The rains inundated an area the size of France and Germany (combined!) across the Sunshine State and wrought havoc upon its people. Lives were lost. Property damaged. And industry was crippled. And, when Mother Nature’s wrath subsided, Queensland residents were left with a massive clean-up job.

To their credit, these people, in the face of near-untold disaster, did what came naturally. Contrary to the patriotic rally cries of politicians, they didn’t do what *Queenslanders* do; they did what *good people* do. And it was beautiful.

The general feeling was perhaps best summed up by Wally ‘The King’ Lewis – a retired national football hero – who spent the last week of his holidays helping fellow Brisbane residents prepare sandbags and bail rising flood waters out of their homes. Speaking to National Nine News from the waterlogged front yard of a neighbour – whom he had never met – Wally said: ‘If someone’s doing it tough, I think it’s the right thing to do to put the hand up and ask them if they want any help.’ The interviewer then turned his microphone to another volunteer. ‘What was your reaction when Wally Lewis turned up?’ Typifying the laid back crowd, the young man said, ‘[Laughs] Yeah, I was a little surprised but... you know... people help out. It’s all good.’

The Australian people appeared perilously close to discovering something very important about themselves. Something, perhaps, they’ve always known. An instinctual tendency toward human solidarity; the natural urge to help a neighbour in distress, to lend a hand; in short, to volunteer.

Alas, barely had the first piece of debris been cleared away when the media lost sight of the bigger picture. Alongside inspirational stories of non-violent, voluntary cooperation, the local papers turned their attention to the state’s role in the cleanup. Should the state and federal governments focus on returning ‘their’ budgets to surplus? Or should they use funds to help those in need? In other words, how ‘best’ should the state spend its people’s money? As if the only just, honest option had not already expired when the government chose to steal it in the first place.

While sifting through the news reports and reading comments about what the state “should” do, we wondered how people who are so ready to do what is natural – to cooperate freely with neighbours and ‘mates down the street’ – could miss the overarching lesson in all this tragedy. Why do hostages of the state turn to their captor when it comes to settling issues of freedom? Issues they are capable of resolving themselves?

It might have to do, at least in part, with the misrepresentation of the concept of anarchy; a misrepresentation that only serves the interests of the state. We are taught ‘anarchy’ means violence, looting and the aggressive form of chaos that often rises in the wake of natural disasters. We are told this is

what happens without state control. Nothing could be further from the truth. The state is control. It is the incarnation of force and violence from which it purports to protect us.

As Murray Rothbard, the man credited with coining the term ‘anarcho-capitalism’, expressed in *Society and the State*: “I define anarchist society as one where there is no legal possibility for coercive aggression against the person or property of any individual. Anarchists oppose the State because it has its very being in such aggression, namely, the expropriation of private property through taxation, the coercive exclusion of other providers of defence service from its territory, and all of the other depredations and coercions that are built upon these twin foci of invasions of individual rights.”

We can expect nothing more from an agent of force than, well, more force. A mule is as capable of giving birth to a unicorn as the state is of ‘granting’ freedom.

Last night, with all this in mind, your editor phoned his father. Dad lives about an hour south of Brisbane, where the post-disaster clean up continues. In the aftermath of the flood, volunteer posts were set up around the city where groups of concerned individuals could assemble to donate their time and/or resources to help get the place back on its feet. ‘Sixteen thousand people turned up to help on the first day,’ Dad told us. ‘They came with their own equipment and made their own way there. In the end, they had to turn people away.’ ‘I put my name down to lend a hand,’ he continued, before adding, with sincere disappointment, ‘but I haven’t been called up yet.’ Then, as a man who has spent his life helping people, he added, ‘but I’ve still got two more days of holiday left, Sunday and Monday. Hopefully I’ll have the chance to get up there and help out then.’

To those who would argue coercion is necessary to foster freedom. That force is a prerequisite for peace. And that the expropriation of individuals’ property on threat of violence is compulsory to fund an agency that, alone, is capable of guaranteeing safety and prosperity, we say: you don’t know the real meaning of anarchy. You don’t know what voluntarism is. And, until you do, you would never know what it means to be free.

Thank you to all the people in Queensland – and around the world – who understand these concepts and, through their fine example, prove statist everywhere wrong every day.

Footnote: As if on cue to demonstrate statist are indeed wrong, Prime Minister Gillard announced a flood levy on taxpayers’ incomes. Gillard’s clear message to Australians for the next catastrophe: don’t donate until you know how much the government is going to fleece you for.

The levy would raise \$1.8 billion of the more than \$5 billion the Government expects to spend to fix flood damage in Queensland and Victoria and still return the budget to surplus by 2013. The \$1.8 billion is less than the \$2.7 billion the Government wasted on the free insulation scheme, a bit than the \$1.1 billion wasted on subsidies for solar roof panels and a small fraction of Gillard’s \$16 billion rort-riddled school halls program. The levy would raise only twice as much as the Government’s grant to car makers through its \$500 million “green car” fund and the \$400 million cash-for-clunkers scheme. Other ‘savings’ include the cleaner car rebate scheme, carbon capture and storage, solar rebates, solar hot water rebate, green start program, and global carbon capture and storage institute grants.

G. 'The Australian Government beat me to it'

In the year 2011, the Lord came unto Noah, who was now living in Australia and said: 'Once again, the earth has become wicked. Build another Ark and save two of every living thing along with a few good humans.'

He gave Noah the blueprints, saying: 'You have six months to build the Ark before I will start the unending rain in Queensland first for 40 days and 40 nights.'

Six months later, the Lord looked down and saw Noah Weeping in his yard – but no Ark. 'Noah!' He roared, 'I've started the rain in Queensland! Where is the Ark?'

'Forgive me, Lord,' begged Noah, 'but things have changed. I needed a Building Permit and I've been arguing with the Boat Inspector about the need for an on-board sprinkler system. My neighbours claim that I've violated the Neighbourhood Bye-Laws by building the Ark in my Backyard and exceeding the height limitations. We had to Go to the Council Planning Committee for a decision.'

'Then the Local Council and the Electricity Company demanded a shed load of money for the future costs of moving power Lines and other overhead obstructions, to clear the passage for the Ark's move to the sea. I told them that the sea would be coming to us, but they would hear nothing of it. Getting the wood was another problem. There's a ban on cutting local trees in order to save the Greater Spotted Mopoke. I tried to convince the environmentalists that I needed the wood to save the Mopokes – but no go!

'When I started gathering the animals the RSPCA took me to court. They insisted that I was confining wild animals against their will. They argued the accommodations were too restrictive, and it was cruel and inhumane to put so many animals in a confined space. Then the Environmental Protection Agency ruled that I couldn't build the Ark until they'd conducted an environmental impact study on your proposed flood. I'm still trying to resolve a complaint with the Human Rights Commission on how many minorities I'm supposed to hire for my building gang. Immigration are checking the Visa status of most of the people who want to work. The trades unions say I can't use my sons. They insist I have to hire only Union workers with Ark-building experience. To make matters worse, the Australian Taxation Office seized all my assets, claiming I'm trying to leave the country illegally with endangered species.'

'So, forgive me, Lord, but it will take at least ten years for me to finish this Ark.'

Suddenly the skies cleared over Queensland, the sun began to shine, and a rainbow stretched across the sky. Noah looked up in wonder and asked, 'You mean you're not going to destroy the world?'

'No,' said the Lord. 'The Australian Government beat me to it.'

About the author

The KiS report was written by Peter Senior, a very experienced management consultant who now lives in Cairns, Queensland, Australia.

Peter spent two decades reviewing many government departments and major corporations, often leading on to restructuring their organisations. He was President of the New Zealand Institute of Management Consultants. Previously, Peter was General Manager of a large city newspaper. Prior experience and qualifications included an engineering degree at London University, management studies at Cambridge University, IT training at IBM, and Chairing several small private businesses.

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