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Right and Left Thinking an Ideological Straitjacket

Earlier this month I was fortunate to be invited to attend the 2008 Consilium organised by the Sydney-based thinktank the Centre for Independent Studies.

The CIS is a non-profit, private-sector public policy research institute. It publishes research papers, hosts lectures and arranges visits by overseas speakers in the interests of encouraging competition in ideas.

The Centre's programmes cover New Zealand as well as Australia. The Business Roundtable has cooperated with it on a number of projects. Later this year we are jointly arranging a visit by American writer P J O'Rourke.

The current executive director of the CIS, Greg Lindsay, founded it in 1976. He was described in 2004 in *The Bulletin* as the "most influential man in Australia", with the Centre's footprints being "all over the country's political agenda, on both sides". In 2003 he was made an Officer of the Order of Australia for service as a major contributor to education and public debate.

Consilium is an annual 3-day symposium focused on public policy issues and was attended this year by over 100 of Australia's high achievers in politics, academia, business and the media (plus several New Zealanders).

Australian prime minister Kevin Rudd was a participant (for the sixth time), as was federal treasurer Wayne Swan and shadow treasurer Malcolm Turnbull.

Rudd's comments were interesting in the light of the 'New Right' and 'neoliberal' labelling sometimes applied by out-of-date commentators to the CIS (and the Business Roundtable).

"Australians today are not much interested in the old battlelines of yesterday's ideological wars", he said.

“Watching the traditional Right and Left of politics in today’s policy debates sometimes reminds you of seeing your kid trying to put on last year’s jumper only to realise it no longer fits.”

Rudd went on to say that the old Right and Left thinking is often an ideological straitjacket. He said his government believed “unapologetically in the power of market forces as the most efficient and effective means of generating economic prosperity.

“We also believe in the public goods that constitute the pre-conditions for a market economy to perform efficiently and effectively.”

Who could disagree?

He added that his “activist” government was good news for the CIS and would help keep it in business.

Among the business leaders present were Hugh Morgan, Michael Chaney and Greig Gailey, past and present presidents of the Business Council of Australia, and Andrew Forrest, CEO of the hugely successful West Australia mining company Fortescue.

At the meeting Rudd and Forrest announced an initiative to commit Australian employers to provide job opportunities for 50,000 Indigenous Australians to move from welfare to work.

They were backed by Aboriginal leaders Noel Pearson and Warren Mundine (a former Australian Labor Party president who addressed the Business Roundtable’s retreat last year) who were also present at the conference.

It was hard not to be impressed by the sense of purpose and aspirations of Australia’s leadership community. The Business Council of Australia (the counterpart to the Business Roundtable) wants Australia to be in the top five OECD economies for per capita incomes and is pushing for ongoing economic reform.

Also impressive is the long period of generally consistent market-oriented policy in Australia extending through the Hawke, Keating, Howard and Rudd administrations.

Australia has now overtaken New Zealand in the latest index of economic freedom. Government spending at all levels in Australia will be down to below 32.9% of GDP in 2009 compared to 42.4% in New Zealand, according to the latest OECD projections. This is the second lowest spending ratio in the OECD.

The Rudd government cut spending and reduced taxes in its recent budget and has embraced deregulation and private sector ownership or management of former government enterprises and services.

But it is also indulging some of its nanny-ing instincts and ideological prejudices, such as scrapping access to universities for full fee-paying domestic students, retreating on workplace liberalisation as a sop to unions and intervening to pick industry winners (its industry minister has been dubbed Kim II Carr). Some observers think that if it does not modify its climate change policies and limit their economic impact it could be short-lived.

Finance minister Michael Cullen misleads New Zealanders by putting Australia's 'luck' down to the mining boom. This is demonstrably wrong. Australia's climb back into the top 10 OECD countries was well in train before the current terms of trade surge.

Rather, it is due to policies that were once derided as 'economic rationalism', a term which a Labor minister present at the conference remarked is seldom heard today.

With the Olympic Games in full swing, an analogy is relevant: Australia is already well ahead of New Zealand in the race for prosperity, and unless it wakes up from its slumber of the past 10-15 years Australia is likely to show this country a clean pair of heels.

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