

# ***The Year Ahead: An Australian Perspective***

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## **Introduction**



It's been a truly outstanding summer Down Under. There is nothing better than snatching the Ashes back from the Poms. Once, it was second only to beating the Kiwis. But that all changed, at least for me, when I learnt that a Pom ran off to the United Nations last month to have the term Pom ruled a form of racial discrimination.

According to Dave Thomason, a former gas fitter who arrived in Australia 37 years ago, and has been an Australian citizen for 27 years, the wicked Australian media has been using the word Pom on average 5 times a week. He is especially peeved by the Toohey's New Super Cold ads which feature a group of Pommy men, I mean British chaps, singing Land of Hope and Glory with revised lyrics such as "whinge, whinge bang-on gripe grumble." It's just not cricket, says Mr Thomason.

No doubt losing the Ashes had something to do with this man's bitterness. So you see much has been happening in Australia. In fact, I intend to take you all on an opinionated gallop across Australia's political and cultural landscape.

Now, if you listened to the Leftist elites, such as playwright David Williamson, "the triumphal ugliness of the Right has reached new heights" in Australia. Australian democracy is at risk, says Clive Hamilton, who heads up our left-wing think tank The Australia Institute. Australia is a "pigsty" nation according to former Liberal Party advisor Greg Barnes. The next election will undoubtedly be a "Muslim election" warns former Prime Minister Malcolm Fraser. When his views on multiculturalism were recently challenged by a broadcaster on ABC Radio, Fraser accused the national broadcaster of being a propaganda mouthpiece for the Howard

Government. I laughed out loud.

I intend to come back to some of these issues later on because they are part of the rich cultural wars that continue to be fought in Australia - healthy cultural wars, let me add. Far from democracy being under attack by the Right, what seems to irk the Left is the preference of the Australian voter. There is a disdain for the people's choice, for that great levelling process described by Churchill as "the little man, walking into the little booth, with a little pencil, making a little cross on a little bit of paper." For a decade the little cross has favoured the conservatives and nothing upsets the Left more than that.

This year, the little men and women of Australia will be once again marking their preference at the ballot box. And the 2007 election is shaping up to be a fascinating one. To understand why, we first need to take a look back to the end of last year to set the scene.

Christmas can be a scary time for Labor leaders. Last December we saw that bi-annual Labor Party ritual - where they toss out an old leader and try someone new. Sometimes the new leader was an old leader. As in the case of Kim Beazley.

In Christmas 2006, the largely ineffectual Beazley got the chop in favour of Kevin Rudd - the party's ubiquitous foreign affairs spokesman. Team Rudd includes the highly ambitious left-winger, Julia Gillard, as deputy leader. As one Labor person quipped about the Rudd/Gillard ticket, this unlikely pairing may turn out to be a case of the "spider and the fly", with no prizes for guessing who the spider is.

### **The election showdown - a battle of the nerds**

The next election looks like being the battle of the nerds, with Labor picking their very own nerd to challenge the Coalition's top nerd, John Howard. It turns out, according to a Newspoll conducted soon after Rudd's ascension, that Australians are comfortable with the "nerd factor" - something people like me have been saying for some time. While the high falutin elites may cringe at nerds leading the country, preferring some kind of Whitlamite or Keatingesque political messiah, Rudd is

looking like a credible alternative to John Howard, compared to his ALP predecessors. So much so that Rudd very quickly closed in on the Government in the polls, lifting Labor's primary vote to an election winning 46 per cent in a matter of weeks and closing in on John Howard as preferred Prime Minister.

In fact, the most recent poll in the SMH released on Monday found the ALP leading by 58 per cent on a 2 party preferred basis. Rudd is now the most popular Opposition Leader in the last 35 years, also outstripping John Howard as preferred Prime Minister. There is no doubt that there is a honeymoon element to Rudd's popularity. Remember that Latham outstripped the Prime Minister as preferred PM at one point too. But I suspect that Rudd's popularity is driven in no small part by the fact that he is seen as a conservative alternative Labor PM and the Australian political culture is inherently conservative. Remember that since 1949, a conservative coalition government has ruled for 52 of the ensuing 59 years. (And the Hawke/Keating era, at least economically, was far removed from Whitlam.)

### **Labor's quick shift to the centre**

Rudd knows that and it explains why, once elected leader, he very quickly moved the ALP to the centre, distancing himself from both former leaders. Whereas Beazley was calling for an immediate withdrawal of Australian troops from Iraq, Rudd suggested that they might remain in Iraq into 2008 if Labor won the next election. Craig Emerson, one of the party's more rational economic thinkers, earlier banished under Beazley, became Labor's new spokesman on the service economy, small business and independent contractors - a move that effectively recognises the diminishing role of unions in a country where more people own shares than join unions.

Emerson quickly announced that Labor's class envy would be a thing of the past - a reference to Latham's failed attempt to re-ignite good old-fashioned class warfare despite the fact that the electorate had moved on. There was even talk of teachers being marked on their performance in the classroom from Stephen Smith, Labor's new shadow education minister. If you were not paying attention to who was talking, you could easily have mistaken these as missives from the conservatives.

Soon after becoming Labor leader Rudd headed to Tasmania, promising to bury Latham's election losing logging policy. In 2004 when Mark Latham stood under a tree in Tasmania's Styx Valley to support a greenies campaign against logging, it became one of the defining images of that election campaign. He had deserted the workers, who instead turned up in droves to cheer John Howard when he promised to save the jobs of Tasmanian loggers.

Rudd has learnt from that lesson. And has been very busy mending more fences. He is embracing business after Latham gave them a cold shoulder, recently appointing Sir Rod Eddington as chairman of an advisory council to facilitate dialogue with Labor. Unfortunately business is still not convinced, given Rudd's recent promise to "rip up" the WorkChoices laws. While Rudd had been careful to distance himself from that same pledge given by Beazley, eventually his funders - the unions - caught up with him. Business groups may not be sold but Rudd has managed to close the gap on the critical election issues of who is best able to handle the economy and national security. Which is why the polls are tight and the election will be a close run thing.

### **It's the economy, stupid**

That catch phrase concocted by Democratic strategist James Carville for Bill Clinton in 1992 still prevails. "It's the economy, stupid". The Howard Governments great strength is it's economic record. It rode the back of deep structural changes introduced under the Hawke/Keating government that converted an insular, protectionist Australian mentality into one that recognised that Australia's success would depend on the nation embracing a global economy.

And by pushing forward with further free-market reforms, the Howard Government can point to a decade and a half of uninterrupted economic growth, unemployment at a 30-year low of 4.6 per cent, the creation of 1.9 million new jobs, real wages growing by 16.4 per cent and the number of days lost to industrial strife at an historic low. Back in 2005 The Economist described Australia's economy as the "Energizer bunny" bouncing along even at times when Australia's major trading partners were in financial crisis. Since then, the economic report card is more complicated. Growth is now estimated at 2.5 per cent. Australia is growing at two-speeds, with a boom taking place in the West and Queensland while it's much slower in NSW.

While Labor's new leader was quick off the mark to paint the Howard Government as a cabal of free-market fundamentalists that hurts middle Australia, it may be a hard sell. In the last decade, Australians in all income groups have grown richer, and middle class Aussies have seen their incomes grow at a faster rate than those at the top of the ladder.

Far from being a free-market fundamentalist, Howard has looked after his battlers - the aspirational voters that he snatched from Labor a decade ago. A single-income couple with two children effectively pays no tax (once you take into account various Family Tax Benefits) until wages exceed \$48,000. And Howard has not forgotten the middle-classes - those dubbed by Menzies as the forgotten people. The government has been nothing if not canny in selling the need for further structural reform with a steady drip of middle-class welfare doled out to his support base.

While interest rates have moved up and petrol prices are still biting, consumer sentiment suggests that John Howard's aspirational voter-base is still relatively happy with their lot. And the Howard Government will be warning voters that Rudd is an inexperienced leader on "L" plates. While the ALP will find it hard challenging the Government's economic credentials, they can neutralise the issue by looking sensible. But Rudd will need to do more to shift a conservative electorate at the ballot box. He needs to challenge Howard on issues of the future, not the past.

## **The environment**

The environment and climate change are shaping up to be "the" new issues for the coming years. The debate is moving fast in Australia, fuelled by a heady concoction of Al Gore's foray into movies, the Stern Report, the latest UN report on climate change, drought and bush fires. In the days before Christmas, large parts of NSW and Victoria were ablaze with bush fires. Christmas Day saw snow fall on some areas blackened by fire in Victoria. Add to that the worst drought in 100 years - in

2006 inflows into the Murray River were only 40 per cent of the all time low record - it is little wonder that more people are responding to talk of weird weather, climate change, water and the environment. That does not mean they are turning to the Greenie absolutism. Being a cautious lot, Australians are looking for sensible solutions to problems that none of us fully understand.

It is important to understand the severity of the water crisis in Australia. Intellectually, most outsiders recognise Australia as a dry continent. But at the moment, cities such as Adelaide are facing the prospect of taps running dry. A few good dumps of rain are unlikely to wash away this issue. Such is the extent of talk of climate change that an extensive downpour or two, which may solve the water shortage in the short-term, will simply be seen as further evidence of weird weather patterns brought about by humans messing with the environment. And the consensus on climate change appears to get stronger as every week passes with two more recent reports confirming that we are responsible for climate change.

Consequently, these issues, once thought to be the monopoly of the Left, are now being embraced by the conservatives the world over. In the UK, David Cameron is leading the Tories down an almost embarrassingly green path. In Canada, the newspapers are filled with climate change, and conservative Prime Minister Stephen Harper is busily announcing policies so enviro-friendly that the only complaint his opponents can make is that he is pinching their ideas. Last month Harper booted out his non-performing environment minister in favour of someone apparently better placed to tackle what is a daunting issue. As one Canadian reporter pointed out last month, most voters don't know what they want done about climate change. They just know that something needs to be done to tackle the issue.

Howard has responded in a similar fashion, realising that voters may not know what they want done, but they will feel a lot better about their ignorance if the guy in charge is smart and energetic. He has handed the environment portfolio to one of the Liberal Party's rising new stars, Malcolm Turnbull. It may turn out to be a mark of

Howard's political genius if Turnbull can convince the electorate that a Coalition government can do something sensible about the issue of climate change.

Turnbull will go head to head against the ALP's own star attraction, shadow environment minister, Peter Garrett, the former frontman for Midnight Oil. But as Steve Lewis, my colleague on *The Australian*, pointed out last December, Garrett's challenge is to win over red-brick suburbia, rather than pander to Labor's soft-left inner-urban support base. That means moving away from the green fundamentalists that Garrett used to hang out with during his days as a rock star. His continuing opposition to overturning Labor's ban on uranium mines - in contrast to Rudd, who has advocated new mines - suggests he is still too Green for the average voter who is slowly accepting the need for nuclear power as a long-term alternative to dirty coal.

Howard is playing the nuclear card very carefully, throwing the issue out there for debate among voters who are increasingly conscious of the need for clean fuel but worried by the prospect of a nuclear reactor in their backyard. Where Howard has been more forthright is on the water crisis gripping Australia, recognising that people want action, and they want it now. Moving swiftly to outflank Rudd who called for a national water summit, the PM has asked the states to agree to a federal takeover of the country's river systems as part of a \$10 billion package to improve the efficiency of irrigation distribution systems.

When Rudd was elected leader he tagged federal/state relations as a key issue for the future of Australia. Australians were sick of blame-shifting between the states and the feds, he said. And he was right.

Howard has quickly snaffled that issue for himself. Describing Australia's river systems and waterways as national assets, Howard ear-marked the chronic water problem as one of Australia's biggest challenges, deftly tying solutions to the continuing economic prosperity of Australia and a hand-over of power to the federal

government.

[It's worth noting that Howard is not merely talking to rural Australia on these issues. Taking a stab at the states, he said that "permanent water restrictions should be no more acceptable in our great cities than electricity rationing". The problem has been state governments using their water authorities as profit centres. It may be politically unpalatable, but eventually Australians are going to have to pay more for the water they use. And state governments will have to use that extra revenue to build better infrastructure, something they have ignored for decades.]

Howard's \$10 billion water reform package was coupled with the PM declaring himself a "climate-change realist" responding to evidence that suggests that greenhouse gases are being released at increasing levels which are damaging to the environment. But in the conflict between economic realism and environmental idealism, the Howard Government has staunchly pitched towards the former, rejecting Kyoto. I am sure I don't need to tell you that was a good call given the flawed nature of Kyoto.

Having just recently returned from three weeks in Canada, the newspapers there are filled with hand-wringing over where to go now. Canada cannot meet its 1997 Kyoto goal of reducing greenhouse gas emissions by 6 per cent below 1990 levels. Instead, by 2004, emissions rose to 34.5 per cent over 1990 levels. Europe is similarly struggling with its green credentials. The European Emissions Trading Scheme which was meant to be the principal strategy for reining in CO<sub>2</sub> emissions is looking less than successful, with most countries failing to reduce greenhouse gas emissions.

Not concerned over being dubbed, yet again, an international pariah, Howard chose a different route for Australia, helping to create the Asia-Pacific Partnership for Clean Development - a body that includes China, South Korea, India, the US and Japan - countries which account for half the world's emissions, energy use, gross domestic

product and population. There is currently a government-business task force which will advise the Government on a workable emissions trading system— perhaps a national one in the short term but with the aim of morphing into one that includes the world's largest emitters of greenhouse gases.

In other words, the Government is busy pointing to initiatives outside Kyoto to prove its green credentials to an electorate that is increasingly more concerned about climate change. And it may be that the crazy leftist agenda pushing for an end to our coal industry will end up helping Howard, as people move towards environmental reforms which are more cautious and economically responsible.

### **Culture wars**

The other biting issue in Australia is values. And it has been an ace card for the Howard Government. With voters rating the Government high on national security, it's no surprise to see the conservatives reshape that issue, against a background of Islamist terrorism, into one of national identity and the importance of western values. Finally, we are recognising that if we are unsure of what we stand for, we have little chance against those who threaten us and know precisely what they stand for. Crucially, the government has done two things on this front. It has quietly issued the last death rites to multiculturalism. And it has encouraged debate about how a conservative Islam needs to embrace western modernity.

The issue of western values, which is part of the broader culture wars in Australia, matters because it marries two concerns embedded in the electorate. Our concern with western identity in the face of rising Islamism. And our aspiration that our children grow up with a balanced understanding of our history.

First, to multiculturalism. It is a deliberately slippery word. As a descriptor, multicultural fits nicely. Australia is a brilliant mix of people, a young country that has successfully integrated more than 6.5 million migrants from more than 200 countries.

But once the “ism” was added to multicultural, an accurate adjective morphed into a philosophy - one originally based on fine notions of tolerance and inclusion. But one that ended up separating people according to culture and eschewing any criticism of minorities.

This end result is what historian John Hirst calls “hard” multiculturalism. It rejects any expectation of integration and notions of core values. It promotes Australia as a series of Balkanised statelets. For too long, that multicultural mindset has acted like a two-pronged censor. It forbids talk that applauds the majority culture. And it’s an even more potent censor when it comes to criticising minorities. Both are out of bounds according to these Two Commandments of Multiculturalism.

The softer form of multiculturalism respects difference but expects migrants to unite behind a few core beliefs. The confusion between the soft and hard versions has allowed hard multiculturalism to endure. That’s why the word has to go. Last month, in his reshuffle, Howard renamed the Ministry for Immigration and Multicultural Affairs as the Ministry for Immigration and Citizenship. It is a subtle change, but an important one.

The Government is currently looking to beef up the citizenship test. The motivation is driven by the belief that immigrants will integrate more successfully into the Australian community with a working level of English and an understanding of Australian values, customs, systems, laws and history. Though I suspect the other motivation is aimed at non-immigrants - it has kicked off a healthy debate about western values and, for an edgy electorate, talk that reaffirms the need for a national identity is no bad thing.

One of the most confronting issues of our time is the clash between radical Islam and modernity. In my view, it is not a clash between Islam and the West, as some would have us believe. Instead, it is a battle for the soul of Islam. It’s a clash

happening within Muslim countries and within the West. Fundamentalists are trying to hijack the noble religion of Islam for their own purposes.

In Australia, the vast majority of moderate Muslims are working to interpret their faith in a way that is consistent with living in a western liberal democracy. But we saw another instalment in that long running clash when Muslim cleric Taj Din al-Hilali, in a Ramadan sermon last year, likened women to uncovered meat and blamed rape and adultery on the way women dress and behave. Most of us accept that such views are abhorrent in a country committed to the equality of men and women. Many of us lined up to say so. And many of us were criticised for doing so.

Just to reinforce how big this story was, when I wrote a column critical of Hilali on the following Wednesday, I received upwards of 500 emails by lunch time. This is an issue that people feel strongly about.

But those on the Left don't get that. Any criticism of minorities is seen as Australian racism rearing its ugly head. Radio broadcaster Mike Carlton said it was a media campaign marred by "racism and religious bigotry." According to Waleed Aly, writing in *The Age*, some saw the controversy as a "conspiracy of media and government - one more phase in the relentless campaign to attack and demonise Australian Muslims." One chap said there had been a media lynching of the good Sheik.

The Left similarly cast the Cronulla riots in December 2005 as another unleashing of underlying racism. Yes, a group of drunken white jobs behaved appallingly. But there was so much more to the riots than elements of racism. It was an uprising of many ordinary Australians in response to years of sexual harassment of women at Cronulla beach at the hands of a small but noxious group of Muslim youth. But the Left would have none of that. One academic attracted headlines by claiming Howard was "dog-whistling on immigration" by coming out against the Muslim hoods who have caused havoc in the southern suburbs of Sydney.

It's nonsense, of course. The Government has a non-discriminatory immigration policy. Indeed, immigration has doubled during the Howard decade.

The Cronulla riots and the Hilali episode were important turning points in Australia. They reignited the values debate. They suggested that we are in fact inching our way forward towards a more open debate on these sensitive issues. More moderate Muslims are coming forward to defend their faith against those who reject western values and, for some, who have a more radical agenda in mind.

This is why the values debate matters. For more than 20 years, the West abandoned that debate. We gave ourselves over to Western self-loathers, cultural relativists and romantic primitivists. We allowed Muslim leaders such as Hilali to use their tolerant host countries to spawn a new generation of Muslims who reject Western values. Howard, like other Western leaders, are pointing out the need to reclaim the values debate after discovering that tolerating subversion signals Western weakness and encourages more subversion.

Importantly, the Howard Government has used history as a focus for reclaiming western values. Drawing on Orwell, Howard sees history as a stabiliser: an electorate that is confident about its past is better placed to embrace a future that requires continuing economic reforms in an increasingly competitive and globalised economy. And, in more recent years, a world facing the threat of terrorism.

A decade ago, he enunciated a more nuanced history that recognises the great injustices done to indigenous people but also acknowledges that "in the broad balance sheet of our history, there is a story of great Australian achievement to be told". Howard's call for balance resonated with mainstream Australia. It was the opening shot in what has become known as the history wars.

And it resonates with voters. Last year, I picked up my 12 year old daughter's history

text only to discover that first year high school students are well versed in what is good about Aboriginal culture and what is evil about the West. In the chapter on the colonisation of Australia between 1788 and 1900, there was no mention of British colonisation contributing anything much to Australia - no mention of civilised society or the rule of law. Instead, all the talk was of dark forces reaching Australian shores, forces that are individualistic and competitive and concerned only with material gain.

Howard has a history of confronting wacky political correctness. Last year, he called for a "root-and-branch renewal of the teaching of Australian history in our schools", warning that young Australians were at risk of being disinherited from their community if that community lacks the courage and confidence to teach its history. That was followed by a national history summit which put the failure of the state education systems to teach history centre stage in a national debate. That has morphed into a call for across-the-board curriculum reform.

Where once education was regarded as an issue monopolised by Labor, it's now up for grabs, with the Coalition making inroads into an issue that people feel strongly about. The debate is no longer about how much money we pump into schools, how many new teachers we put in classrooms, how many new classrooms we build. It is more about what is being taught in our classrooms. And it's about standards. Increasingly, this is a bi-partisan issue with Labor agreeing, for example, that a national curriculum is needed to lift the standard of teaching across Australia.

While Howard has monopolised the political stratosphere in Australia for a decade, there is no question that, as *The Australian's* political commentator, Paul Kelly has remarked, the zenith of the Howard Government has passed. Which is why the next election will be so interesting. In his first major interview after being booted from the ALP leadership, Kim Beazley said that the party that loses the next election will be a spent force. Perhaps it was a warning to his party. But it applies particularly to the Liberal Party. Out of office in every state and territory, the Libs risk losing the structural party engine that drives capable people into federal politics. I don't have a

crystal ball so I am not predicting the outcome. So it's a case of watch this space.

