

A WAVE OF UNREASON

BY

JOHN BIGGS

IN MEMORY OF MAX BOUND

For the cover

My god this is an important book. It restates so very many obvious truths. Chief among them ... neoliberalism, the predominant philosophy of recent (largely white) Western humankind, is stuffed ...

It is a false path ... doomed. John Biggs makes this point very powerfully

Read this most important book. John Biggs details how the drift to neoliberalism received a huge impetus under a 'socialist' Labor government during the Hawke-Keating era. We have been sliding backwards ever since; no more exemplified than during the Abbott government (PM Turnbull is now Abbott-lite). If Australia continues along the path of neoliberalism the immense divide between the Haves and the Have-Nots will inexorably increase.

Pray we do not ...

Lindsay Tuffin, Long-time journalist and news editor, founder and editor of
Tasmaniantimes.com

INTRODUCTION

Many Australians are disgusted with politics as it has been played during and since the Howard years. In this book I explore why people are so turned off. The rot started, had we but realised it, when the Hawke-Keating governments introduced Australians to neoliberalism. Deregulation, cutting corporate taxes and privatising government owned businesses such as the Commonwealth Bank and QANTAS, transferred billions of dollars from the less wealthy to the already very wealthy.

But this was Liberal territory! Indeed it was. Our two party system, which was designed in a simpler world to offer two distinct alternatives to the electorate, now gave us a choice between neoliberal hard (Liberal) and neoliberal soft (Labor). The many who do not agree with neoliberalism are therefore not adequately represented in our so-called representative democracy. Consequently, governments over the past twenty years have become increasingly dysfunctional and out of touch with the electorate.

Neoliberalism, today the predominant political ideology in Western countries, asserts that the only legitimate purpose of the state is to safeguard individual liberty, private property rights, and especially commercial liberty such as free markets and free trade. Neoliberal thinkers asserted that neoliberalism would create more individual liberty and a more efficient allocation of resources.¹

Not to the majority of people it doesn't, as chapters in this book attest. The book is in five parts.

Part I: Neoliberalism in Australia. The title chapter describes how a wave of unreason has distorted our political system. The Rudd-Gillard-Rudd governments, and the following Abbott and Turnbull governments, each displayed their own forms of unreason. One certain result of Labor dysfunction was the unreason of the Abbott years that in turn led to a further recycling of prime ministers. Turnbull's deposing Abbott as prime minister led to a wave of optimism that swept the country. That optimism was misplaced. Was Turnbull held hostage by his extreme right; or had his nice smile hidden one as red in tooth and claw as they?

Neoliberalism has also distorted and debased Australian universities. There were three phases in the history of our universities: state control, federal control, and managerialism. In the last phase neoliberal managerialism fundamentally changed the nature and function of universities. We need a new model for tertiary education.

Part II Neoliberalism Gone Feral. The Trump explosion of contradiction, belligerence, and pathological egotism saw neoliberalism go feral. The question for Australia is how we cope

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with Trump: do we continue to be ‘joined at the hip with our closest ally’ as Turnbull puts it, or do we develop our own national strategies at some distance from where the US is at present? Could a Trump emerge in Australia?

Part III: Crony Capitalism. Crony capitalism, a primitive precursor to neoliberalism, uses government to legislate for the benefit of selected favoured businesses to the detriment of the public. Tasmania, due no doubt to its small size and mateship amongst the powerbrokers, is given *inter alia* to crony capitalism in: the forestry industry, salmon farming and poker machine licencing. Errol Flynn provides us with a sordid metaphor for Tasmania’s polity.

Part IV: Social Democracy. Are the political systems of other Western countries as chaotic and as dysfunctional as Australia’s has recently been? A trip through Scandinavia told me they are not. Scandinavian countries typically have multi-party parliaments working cooperatively and while they adopt some free market policies, they finance social welfare and rural infrastructure with high taxes – and their citizens like it that way. New Zealand also manages a polity that keeps their citizen happy, politically speaking. Why have Scandinavia and New Zealand got it right and Australia hasn’t?

Part V: Back to the Enlightenment. The two pillars of the Enlightenment, the ways of reason and of humanity, provide a framework for analysing neoliberalism, trumpism, crony capitalism and social democracy. Each system prioritises in different ways the major concerns for government: the economy, social wellbeing, environmental sustainability and being a good global citizen. Some structures of government – two-party, multi-party and issues-based – are more effective than others in effectively achieving these priorities.

We urgently need to sort out these priorities and how best to achieve them.

Earlier versions of some chapters have been previously published on the online *Tasmanian Times*, as end noted at the chapter heads. I have updated them and altered their focus as appropriate. Other chapters make their first appearance here.

I finished the book in May 2018, just as Malcolm Turnbull was swinging harder and harder to the right in order it seems to stave off attacks from his predecessor Tony Abbott and his extreme right cronies such as Eric Abetz, Peter Dutton, Craig Kelly, George Christensen and others. Turnbull, however, could do nothing right by their standards so Dutton challenged for leadership. He lost against Turnbull, but Turnbull withdrew on the second round, and Scott Morrison was put up as a ‘centre right’ (!) candidate against Dutton, and won. Morrison’s behaviour as PM has been pugnacious, unreflective and out of touch, and since the devastating Wentworth by-election is obstinately refusing to face issues like climate change, transparent asylum seeker policy, and gay issues.

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These events only strengthen the case that party politics as it is being played in Australia and elsewhere is quite dysfunctional. There must be a better way,

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I am indebted to Lindsay Tuffin, the generous and miracle working editor of *Tasmanian Times*. My wife Catherine Tang's editorial eye helped make these essays cleaner than I had left them.

I was inspired in this venture by the fiercely principled Max Bound, with whom I became closely associated in the last years of his politically heroic life. Some of the more important of his writings were published just prior to his death as *Greed or Survival?* (Search Foundation, 2012). Max's three word title sums up precisely the dilemma we are facing in the twenty-first century.

John Biggs

Hobart

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PART I

THE UNREASON OF NEOLIBERALISM

CHAPTER 1**A WAVE OF UNREASON²**

‘A wave of unreason’ is a phrase author Edgar Wallace used in a 1920s Gothic horror story, wonderfully entitled ‘The Black Abbott’. I use this phrase in another horror story about a wave of unreason that is currently sweeping the Western world and Australia in particular.

The way of reason

The Enlightenment saw the Western World start thinking in a way that derives from science, using evidence that is publicly available, and the conclusions drawn therefrom argued logically and transparently. Let’s call this the way of reason. Humanism joined the way of reason as summarized in Alexander Pope’s *An Essay on Man*:

Know then thyself, presume not God to scan
The proper study of Mankind is Man.

Thus, political policy should follow the ways of reason and of humanism. In the way of reason policies should be internally consistent and in accord with what we know about how the social, economic and physical worlds work. The American Declaration of Independence nearly gave us this new politics but not quite: this issue is discussed in the last chapter. Garnering votes however allows all sorts of unreason to cruel the issues: self-interest, spin, collusion, corruption, and so on.

An educated citizenry should be able to sniff those falsifiers out, but we are a long way from that, as shall unfold.

The way of faith

Prior to the way of reason was the way of faith. We usually associate faith with religious beliefs but it can be faith in any dogma, including political beliefs. Faith is by definition its own validation. Faith is based on authority and its truths are absolute, not evidence-based and provisional as they are in science.

It is a profound and dangerous error to confuse the way of faith with the way of reason. In a speech entitled ‘One Religion is Enough’, ex-PM John Howard did just that when he accused those urging action on climate change as forming a new religion acting on faith.³ Rather than heed the evidence-based conclusion by 97 per cent of climate scientists, that unless action is taken against climate change world temperatures would rise catastrophically, Howard preferred to rely on his ‘instinct’: ‘I instinctively feel that some of the claims are exaggerated,’ he said. He was the one acting on faith. He was asserting that the inner

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feelings of one individual – himself – carried a higher priority in making public policy than independently validated findings from science. That is authoritarianism of a high order, a breathtaking act of faith in one's own private data bank, a source that is inaccessible to anyone else. Doesn't such self-faith verge on the pathological?

In Western democracy, the separation of religion from politics should be well established. Yet Tony Blair actually ordered his staff on one occasion to pray at the end of a meeting:

'I said: "You'll have to get on your knees." One of them said: "For God's sake" and I said: "Exactly".'⁴

George Bush claimed that he conferred with God before making decisions. Did God then suggest that Bush should invade Iraq at the cost of hundreds of thousands of Iraqi lives and untold other damage, including that to his own troops and their families? I don't know if Tony Blair or John Howard, Christians both, also sought God's advice when they joined forces with their friend George in this crime against humanity. The fact is that the war was engaged by three men who publicly expressed their Christianity when that religion's prime exhortation is 'love your neighbor' and 'peace on earth and goodwill towards men.'

Their justification for the war was that Iraq had weapons of mass destruction when the best validated advice was that such weaponry did not exist, according to Andrew Wilkie of the Office of National Assessments as an intelligence analyst and international weapons inspector Hans Blix. The war was unreason in full flight.

Yet a different take on this is that the decision to invade was based on a sort of reason; a decision to access Iraq's oil, sanitized by the knowing lie about weapons of mass destruction. Another sort of unreason was in those of our citizenry who held an unquestioning faith in the rightness of what politicians were saying and doing. Although a majority of Australians were fiercely against the invasion, their unreason lay in later re-electing Howard knowing him for a liar, both on this and on the Children Overboard scam.

The rise of neoliberalism

In 2006, Barry Jones wrote of Australian politics:

The political process has been deformed, parliaments have lost much of their moral authority, the public service has adopted the cult of managerialism and been increasingly politicised, universities have become trading corporations, the media is preoccupied with infotainment, while lobbying and use of consultants ensures that vested interest is more influential than community interest.⁵

The cause of this deformation of the political process was the rise of neoliberalism.

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Neoliberal governments minimise regulation of business, leaving major economic, political and even social decisions for 'The Market' to make, as if that reified abstraction could possibly make decisions. No, the decisions are made not by this Market Thing at all, but by those who dominate trade in goods and increasingly in meta-goods such as stocks, shares and bonds, which generate their own super-wealth. In fact this latter trade far exceeds the trade in goods and therefore in labour, to the severe disadvantage of the workforce and to the huge advantage of the already super-rich who use their money to make more money.⁶ Leaving it to 'The Market' thus means leaving it to corporations to maximise their profits, which rise at a much faster rate than do wages. The result is an explosion of wealth upwards to the already rich, company CEOs getting paid obscene salaries such as Qantas chief Alan Joyce receiving \$12 million per annum. The redistribution of this new wealth relies not so much on taxes, which are now minimised especially at the higher brackets, but on a presumed trickle-down effect: rich people buying more things means more employment for the less privileged, like shop assistants. Lucky shop assistants.

Margaret Thatcher in discussing market economics famously said: 'TINA! There is no alternative.' Yes, there is an alternative: that foreshadowed by the Enlightenment, a polity in which all citizens are equal and have rights to life, liberty and happiness, pursued as best thought possible by representatives of the people making informed decisions on the basis of known facts and science. But that is not the way neoliberalism works. When the great majority of climate scientists warned us that we were creating dangerous climate change because of unregulated growth yielding carbon and methane emissions, then Prime Minister Tony Abbott said that man-created global warming was 'absolute crap', that 'coal is good for humanity'. In other words, he thought that the creation of wealth by the few who donate large amounts to the Liberal Party was a higher priority than the welfare of the many, even of the planet itself.

Neoliberalism shaped social policy in Australia much earlier than Abbott or Howard. When Bob Hawke came to power in 1983, the government set the level of interest rates, of the Australian dollar and tariffs, while wages were set centrally by the Industrial Relations Commission. But when Labor left office in 1996 the government had virtually abolished tariffs, had ceded control over interest rates to an independent Reserve Bank, the value of the dollar and wages to market forces and had privatised the Commonwealth Bank and QANTAS. The Hawke-Keating government reduced corporate taxes from 49 to 33 cents in the dollar, and the personal tax rate from 60 cents maximum to 47 cents. The wages share of GDP fell from around 61.5 per cent of GDP to less than 55 per cent, which amounted to a transfer of \$50 billion from workers to the already very rich. Thus was created the biggest transformation in the Australian economy since World War 2, achieved by deregulating controls over business and letting 'market forces' rule. When Keating brought in compulsory superannuation, people's super funds were locked into the stock market, forcing them to be party to preserving the dangerous neoliberal desideratum of annual growth (see below).

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While the middle class are in real terms wealthier today than they ever were, an underclass of unemployed and under-privileged people are very much poorer.

These changes, by a *Labor* government, severely weakened the unions and eroded Labor's own support-base in the working class.⁷ Labor might have a stated socialist objective:

The Australian Labor Party is a democratic socialist party and has the objective of the democratic socialisation of industry, production, distribution and exchange, to the extent necessary to eliminate exploitation and other anti-social features in these fields.

Words. In practice Labour operates mainly as a neoliberal government for the corporate benefit, rather less so for the benefit of their traditional constituents.

Keating later got the nearest he could to admitting to a mistake. In 2017, when it was glaringly obvious that neoliberalism was dividing the nation more and more into rich and poor, causing ACTU leader Sally McManus to assert that 'neoliberalism had run its course.' Keating agreed, if a bit late in the day:

Liberal (i.e. neoliberal) economics had [in the past] dramatically increased wealth around the world ... but since 2008, liberal economics has gone nowhere ... We have a comatose world economy held together by debt and central bank money. Liberal economics has run into a dead end and has had no answer to the contemporary malaise.⁸

Keating may have been instrumental in introducing neoliberalism in the 1980s, but when the Liberals achieved government in 1996, they out-Keatinged Keating by far.

The Keating legacy

But the damage wrought by Hawke and Keating when they vaulted to the other side of the fence wasn't only limited to their implementing neoliberal policies. Keating's rhetoric, sometimes uplifting, frequently vile, set new standards of mutual disrespect amongst politicians. On Howard: 'this little desiccated coconut', 'a dead carcass swinging in the breeze'; on Costello: 'all tip and no iceberg'; on Andrew Peacock: 'we're not interested in the views of perfumed, painted gigolos', 'can a soufflé rise twice?' and much more. Witty, funny, but did this sort of invective pave the way for the later unwitty and unfunny epithets such as 'Juliar', 'ditch the witch', 'Bob Brown's bitch', and more generally for the poisonous hurling of insults that today replaces reasoned debate in Parliament?

Another piece of nastiness that Keating introduced, with bipartisan support, was the mandatory detention of asylum seekers in 1992. Thus on the grounds of economic policy,

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human rights and civilised parliamentary behaviour, Paul Keating had laid the unpleasant foundations upon which Howard, Abbott and Turnbull gleefully built.

Nevertheless, it has to be said that Keating also had a social conscience, as exemplified in his Redfern Speech, the Mabo decision, and several policies upholding human rights – but he was inconsistent, as his mandatory detention policy testifies. Keating was a Third Way politician, like Bill Clinton and Tony Blair, who tried to blend varying syntheses of left and right policies. Keating's Third Way, like Blair's in England, only resulted in an uneasy compromise that confused what Labor really stood for.

The four concerns of good government

A fair and fully functioning government needs to address at least these four areas of concern for a well-balanced society: economic growth, social justice, environmental sustainability, and being a good global citizen. Under neoliberalism, economic growth is all important, necessarily at the expense of the other three areas of concern. Annual growth based on low tax regimes is socially unjust, environmentally risky while using offshore labour is bad global citizenship. Labor at least tries to incorporate social justice into its platform – with the huge exception of the treatment of asylum seekers – but it is difficult because neoliberalism is ultimately incompatible with social justice.

The neoliberal commitment to privatization places corporate above community interests. Privately run businesses can be more efficient and less of a drain on the public purse than government run, but frequently the results in terms of public welfare are unacceptable. When the Sydney Water Board was corporatized in 1994, thousands of jobs were lost and household water prices doubled in a few years. Water bills for big business on the other hand dropped by an average of 45% in real terms. Safety and monitoring services were reduced, resulting in dangerous increases in giardia and cryptosporidium contamination. It is obvious why. When service functions are privatized, priorities change from serving the public to maximizing profits and shareholders' dividends while adequate monitoring for public health costs money. Typically privatization results in the accumulation of private wealth to the severe detriment of the public interest.

In this book we see many more examples of where neoliberalism vitiates social, environmental and global concerns. Why that cost is overlooked is very similar to how fundamentalists of all religions overlook what seems to outsiders to be negative consequences. Neoliberalism governments are just as committed to neoliberal policies *as an act of faith*.

Thatcher's 'TINA' was as fervent as the cry of any fundamental evangelist.

Unreason in recent Australian politics

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The Liberals' September 2013 Federal election campaign was extraordinary. Liberal leader Tony Abbott's policies clearly would give tax cuts and bonuses to the already wealthy, as proposed in the 2014 Budget, but it was so bad it didn't pass Senate. Some of the details of this Budget are given in Chapter 2. But why would ordinary Australians vote for such a package? Yet 45 per cent of them did, ushering in Australia's worst government ever.

Italian philosopher Antonio Gramsci explained why people vote against their own interests with the concept of 'cultural hegemony.' This is achieved by relentless spin and name calling and by appealing to 'common sense' rather than good sense.⁹ Thus it is touted still as common sense, to which all sensible people would surely agree, that the economy must grow annually. But this not good sense at all: an economy based on nonrenewable resources can't grow exponentially. Another example is relentless sloganeering about 'a toxic tax' or 'this dysfunctional minority Labor-Green government' when it wasn't anything of the kind: Gillard's Labor government was supported by independents and a Green and its legislative record was outstanding.

Labor was given negative saturation by the press in a way that distorted reality. News Ltd, which owns two thirds of daily and Sunday papers and the only papers in Brisbane and Hobart, was essentially a propaganda machine for the Liberal Party. Little or nothing was said about Labor's achievements, which were considerable. For example, one of the initiatives that saw us through the GFC, the pink batts scheme, resulted in four deaths on site, an accident rate not at variance with the industrial rate generally. Yet the Liberals, with support from the press, painted that as massive Labor incompetence and set up a Royal Commission to investigate the 'mishandling' of the scheme. But surely any fault for those deaths lay in the hands of the contractors – who were selected by the home owners themselves – hardly with the government. Despite that a major unreason why people voted for the Abbott Government was disgust at Labor's apparent dysfunction.

Richard Dennis's *Econobabble*¹⁰ explains with marvellous clarity how conservative politicians misuse economic-sounding concepts to peddle neoliberal policies that are very much against the interests of ordinary Australians.¹¹ The mining controversy is an excellent example. Politicians and mining magnates claimed that royalties and taxes from the mining boom financed schools and hospitals. Maybe a little, but most of the bonanza financed tax cuts for the rich – corporate management and shareholders – not public welfare. It also pushed the dollar up by 50 per cent to over US\$1, seriously damaging the non-mining sector. Tourism and manufacturing and other exports actually lost more than the mining sector paid into the economy. When you factor in the massive subsidies in the form of government paid roads, rail and other infrastructure, and the diesel rebate, we discover that mining has taken from the economy rather more than it has given.

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When the mining boom busted, the West Australian government was left empty handed. And that cost Liberal Premier Colin Barnett his job.

Unreason and climate change

Climate change action is probably the worst example of unreason on both sides of politics. Over ten years ago the need to mitigate greenhouse gas emissions was seen by a majority of people and most politicians as a top priority, which meant moving away from fossil fuels into renewable sources of energy. A price was put on carbon, which was widely agreed to be the most effective weapon against climate change.

However, the mining and fossil fuel industries, massive donors to both parties but especially to the Liberals, fought back. The industry rustled up a few rogue scientists, none climate scientists and some with connections with the industry, loudly demanding that these nonclimate scientists be given equal time with the climate specialists. Murdoch's News Ltd played a scurrilous role in this: 97 per cent of the columns appearing in the *Herald-Sun* were sceptical of human-caused global warming, an interestingly symmetrical reflection to the 97 per cent of scientists who concluded the very opposite. People became deeply confused, as intended, and when carbon pricing was called 'a great big toxic tax' it was game over, a massive win for unreason. Under this sort of pressure, Rudd squibbed attending to what he saw as 'the greatest moral challenge of our time (see pp.).

The Coalition agreed that some plan was politically necessary but preferably one that wouldn't work. So they adopted 'Direct Action' to mitigate climate change that would pay up to \$3.6 billion directly to polluting industries instead of punishing them for polluting. On the other hand, the Clean Energy Finance Corporation (CEFC) obtained private sector investors to invest in renewable energy projects that not only decreased carbon emissions but made big money, some \$3 billion in short order. And isn't that what neoliberalism is about? Yet Abbott eyed it balefully. His death thrust was only because the CEFC was created by the Gillard government. Fortunately that shiver of madness was recognised as such by the Senate who blocked Abbott's legislation to dismantle the CEFC.

Abbott abolished the long standing portfolio of Minister for Science, reduced Australian Research Council funding, and cut almost a quarter of scientists, researchers and workers at the Commonwealth Scientific and Industrial Research Organisation, Australia's premium research body.

The Paris United Nations Climate Change Conference in November-December 2015 was the biggest demonstration so far that the climate issue had at last been recognised by almost all countries, and that something had to be done about it. However, some countries, like Australia, added the caveat that such action must not harm the economy. Agreement between 196 parties was reached to aim for specific target figures of reduced carbon

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emissions, with the targets of only 3 countries being smaller than Australia's. However, the means of achieving these targets, and any sanctions for failing to do so, were not clear. General consensus was for some form of carbon pricing – a good neoliberal mechanism using market forces, which makes Direct Action even more odd coming from a neoliberal government. Tony Abbott even claimed that President Obama's climate change policy had been lifted from Abbott's Direct Action policy, and that he and Obama were 'on the same page' with respect to climate policy. Perhaps in his excitement he hadn't noticed that his policy flatly contradicted Obama's.

In a bizarre sequel to the Paris conference, at a World Government Summit in Dubai sponsored by a consortium of fossil fuel industries, the Prime Minister of the UAE awarded Environment Minister Greg Hunt the title of 'World's Best Minister' for his 'efforts towards protecting the environment'. As Hunt had been instrumental in destroying carbon pricing in Australia, undermining the Renewable Energy Target, dismantling the Clean Energy Finance Corporation, and approving the Adani mine, Hunt had indeed been protecting the environment – that of the fossil fuel industry.

Faith in the neoliberal dogma of untrammelled economic growth has meant ignoring the best scientific advice on the viability of the planet itself.

Neoliberalism and democracy

Neoliberal theorists Friedrich Hayek and Milton Friedman claimed that free markets and free trade would lead to more individual liberty and well-being, and to a more efficient allocation of resources. That it does not do. Rather, neoliberalism leads to a far greater disparity of wealth both within and between countries. If democratic processes slow down neoliberal reforms, which frequently happens, then neoliberal thinking sidesteps democracy. It is standard corporate practice, with the help of corrupt governments, to take advantage of cheap resources, both human and material, in underdeveloped countries, in the course of which locals are deprived of water, agricultural land, habitat and their way of life. And of course the profits go offshore.

Another example of sidestepping democracy is the proposed Trans Pacific Partnership (TPP). The TPP would include an Investor-State Dispute Settlement (ISDS) clause into the agreement. This clause is only available to corporations, not to citizens of the nations who are party to the agreement. One tribunal judge reportedly said, with regard to the clause:

It never ceases to amaze me that sovereign states have agreed to investment arbitration at all ... Three private individuals are entrusted with the power to review, without any restriction or appeal procedure, all actions of the government, all decisions of the courts, and all laws and regulations emanating from parliament.¹²

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The relentless push for free trade deals continued even including the scurrilous ISDS clauses whereby national governments deliberately gave corporations the right to sue them for loss of profit occasioned by national legislation. Australia agreed to including ISDS clauses *even while* Philip Morris was in that very process of suing Australia over plain packaging! How's that for unreason, Minister Andrew Robb? Fortunately, Philip Morris's claim was later rejected by a Singapore court, and the World Trade Organisation is billed to reject claims by several tobacco growing countries that the plain packaging laws are illegal barriers to trade.

In 2004, the USA and Australia signed a free trade agreement and in the following year, Australian exports to the U.S. declined, while U.S. exports to Australia increased. The IMF predicted that the Australia-United States FTA would shrink the Australian economy because of the loss of trade with other countries – that loss was \$US56 billion in 2012 alone, with losses each year from 2005, according to an Australian National University study.¹³ Yet the Coalition government wants further losses by more free trade! According to business editor Ian Verrender:

The TPP was an American foreign policy initiative to counter the influence of China around the Pacific rim. Add in a few onerous clauses that would advance the interests of American corporations, particularly the pharmaceutical giants and Silicon Valley, and it was a deal that spelled sweet success for Washington. The fact that Mr Trump pulled the pin on a deal that favoured America tells you all you need to know about the President and his administration.¹⁴

As for the Trans Pacific Partnership Free Trade agreement, Australia signed but fortunately Donald Trump refused to sign on the grounds that the TPP didn't do enough for America. Unfortunately, Turnbull went ahead trying to revive the TPP minus the USA, as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), a trade agreement between Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam, suspending the clauses previously insisted on by the US. The CPTPP, signed but not-yet ratified, is the third largest trade agreement after the North American Free Trade Agreement and European Union. At that Trump decided that he might come along after all and no doubt would insist those clauses favouring the US be revived and strengthened. We have yet to see how that plays out.

The Chinese Free Trade Agreement (ChFTA) is another example of such unreason. Tasmania is a major producer of milk products and of top seafood, and China has massive appetites for uncontaminated baby food and for our seafood, with buying power to match. This is good news for the producers because, unless prices are regulated (which is anathema to a neoliberal government and the whole idea of free trade), they will naturally enough sell to the highest bidder. Thus, local markets will be starved of local produce and what there is will be rather more expensive than hitherto. And if that's not enough, a Chinese company has

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already been allowed to buy the Van Diemen's Land Company, the biggest dairy farm in Australia. It is all in the interests of free trade you see. And in that game, the biggest player wins.

Although Australia has the world's largest natural gas resources, neoliberalism allows producers to sell to the highest bidder, which means overseas. Yet we desperately need gas at home, which is in such short supply that Australians now pay nearly twice as much for their gas than Japan pays for Australian gas! That is not unreason in terms of market economics, but it was for governments to have allowed it to happen. At least Malcolm Turnbull has warned gas suppliers to serve more to the local market, but it wasn't very neoliberal of him.

America's reductio ad absurdum of neoliberalism

Bernie Sanders, in his analysis of the US Republican Party¹⁵, illustrates just how bad neoliberalism can be. The Republicans have been strongly conservative for some time but in 2010 a group of multi-billionaires went to the Supreme Court to remove the current roof of \$5,200 on political donations. This so-called Citizens United case legalised unlimited cash donations both to individual politicians and to parties via a device called a Political Action Committee, which enables cashed up individuals and corporations with an agenda to donate massively to politicians. They don't donate out of charity but for a *quid pro quo*. This is simply bribery, or legalised corruption.

The fossil fuel, pharmaceutical, defence, banking and finance industries took full advantage of this by donating hundreds of millions of dollars to senators so that they would vote the way these industries wanted. Billionaires and corporations alike bought massive tax cuts, while tax avoidance laws permitted them not only to pay no tax but even to get rebates of billions dollars. Sanders quotes pharmaceutical firm Pfizer making a \$45 billion profit, paying no tax but getting a rebate of \$2.3 billion; American Airlines paid no tax but received a rebate \$3 billion in 2016. Sanders quotes many other examples of such corporate trickery. Pharmaceutical firms pumped up huge price rises on essential drugs, for example insulin dosage for a month quickly rose from \$6 to \$300, making it impossible for poor diabetics to pay for essential drugs. Today those in the top 1 per cent of wealth – including many Republican billionaires – own as much wealth as the remaining 90 per cent of the population.

This is not just greed but something worse. The poor are actually targeted: \$7.25 an hour is the minimum wage but far right Republicans want to lower that still further. They also want to abolish Social Security, which currently stands at around \$11,000 pa and is already below the poverty line, while 43 million Americans live in 'extreme' poverty. The large once-middle class have to get 2-3 jobs just to survive, home ownership is impossible for most; 28 million lack health insurance, with another 30 million are underinsured. What will happen when the

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Trump's health care plans are finally passed is that the figure of uninsured will rise sharply. Already, tens of millions can't afford to go to the doctor or to the dentist.

Backing this extreme form of neoliberalism are the Koch Brothers, who are worth \$82 billion between them derived mainly from the fossil fuel industry. They are strong Trump supporters which helps explain Trump's pumping up coal mining and clamping down on measures to fight climate change.

David Koch described the sort of America he wants to bankroll:

- Abolish Medicare and Medicaid programmes
- No compulsory insurance or tax supported plan to provide health services, including abortion services
- Repeal the 'fraudulent, increasingly oppressive' Social Security system
- Abolish the governmental Postal Service ... it encourages surveillance of private correspondence
- Repeal minimum wage laws
- As Government schools 'lead to the indoctrination of children' ... government finance schools and colleges should be ended
- Repeal compulsory education laws immediately
- Privatised public roads and the national highway system
- Abolish all government welfare, relief projects and 'aid to the poor' programmes¹⁶

One might call this a *reductio ad absurdum* of neoliberalism but the clique of hard core Republican billionaires evidently does not see this as absurd at all, but the way to go.

It was this background in the Republican Party that supported Trump: he was a symptom of the political malaise in America not the cause.¹⁷

The end of neoliberalism? Not quite yet it seems

The Global Financial Crisis came about because the banks grossly over-lent on unsecured mortgages. Commentators believed at the time that such greed-driven stupidity would spell the collapse of neoliberalism. However those responsible weren't punished; they were charged with fixing the very problem that they themselves had created. Instead of government taking the pressure off the people whose mortgages were now unmanageable, hundreds of billions of dollars of taxpayers' money were used to prop up the failed private banks. It would have been far cheaper and better for the banks themselves, John Ralston Saul argues, if the government had taken over those mortgages.¹⁸ People would then have money to keep the economy going and the banks would have remained sustainable. But instead of questioning the economic theory that had led to the global financial crisis, the

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solution to the problem was more of the same – to everyone’s detriment except the extremely wealthy few whose greed had created the problem.

One way of combatting the unreason engendered by faith in neoliberalism is the way of reason, using evidence-based argument and discussion. One would think that the many inbuilt contradictions, such as reliance on unlimited growth using non-renewable resources, must eventually make the system self-destruct. The law of the conservation of matter insures that eventually it will.

Economically, neoliberalism has generated a financial system that is running out of control. Post GFC, the situation has become even more unstable. Speculative derivatives, that are very high risk, trade mainly between Wall Street and the City of London at the rate of US\$4 trillion every day, of which Australia alone trades AUD\$41 billion a day. These trading decisions are automated and made within microseconds, beyond any human monitoring or control.¹⁹

Is there a trend worldwide for alternatives to neoliberalism? Yes and no. We are seeing the rise of extreme politicians on both right and left. On one hand we have seen the rise of Trump and of Michel Temer in Brazil, both extreme right wingers. On the other hand, people are becoming highly sceptical of the effects neoliberalism is having on their lives. Paul Keating’s belated admission that neoliberalism has had its day is a healthy sign, and hopefully a shift in establishment thinking. Grass roots protest groups, such as People’s Global Action, the Occupy Movement, Lock the Gate Alliance, GetUp! and many more, are increasingly making their presence felt, especially through social media. They have had some victories, especially in stalling fracking and some mining projects, but in the long run these amount to putting out spot fires.

Thus too Jeremy Corbyn, coming from nowhere, became leader of the British Labour Party, forcing Westminster into a hung Parliament in the 2017 election. Likewise Socialist Bernie Sanders came within a whisker of winning the USA presidency but far right Trump eventually won (more on that complicated story in Chapter 7). But at the other extreme while the far right Freedom Party was beaten by the Green Alexander van der Bellen in Austria, the Freedom Party was back in December 2017 again under 31-year-old Sebastian Kurz in a coalition that will include another far right party with Nazi roots. Viktor Orban won a huge majority in Hungary in 2018 on the grounds of anti-immigration. In France, socialist Jean-Luc Mélançon was within a few points of the far right racist Marine LePen in France, but the final vote was between LePen and neoliberal Emmanuel Macron and Macron won. Italy has just elected a far right government and Spain a left one. In short, the world picture is of high political volatility rather than a universal shift to the right, although at present it looks like the right is in the ascendant.

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Terrorism, mass immigration and climate change have in their various ways shifted some countries to vote in far right governments whose very policies caused the problems that have so angered populations. Trump's first move to create jobs for the disempowered rural workers who voted him in was to fill his Cabinet with billionaires, all of whom, especially Trump himself, do not appear to be concerned with job creation for the disadvantaged. More anger must inevitably follow.

Richard Dennis believes that neoliberalism has 'eaten itself' and considers what comes next.²⁰ Dennis points out the unfairness, the inconsistencies, the counterproductive outcomes and much else that is wrong with neoliberalism such that it will bring about its own demise. He says that neoliberalism is dead in the sense that the political proponents of neoliberalism don't actually believe in it anymore. They are simply using an ideology as a cloak behind which they can conceal the fact that they love giving public money to their friends and that they love using red tape and regulation to tie their enemies up in knots. If the Coalition was truly neoliberal why would they want to nationalise coal mines and coal fired power stations? If Dennis is right, then that sort of greed and blatant dishonesty cannot indeed survive.

But what is coming next? At the time of writing are elections in some European countries that are far right governments, both socially and economically. As far as Australia is concerned Dennis is not putting forward new forms of government but democratizing the existing structure: providing a bill of rights, increasing rates of tax for the highest incomes both individual and corporate, replacing the Productivity Commission which is solely business focused with a broader National Interest Commission, establishing a corruption watchdog at federal level, and a sovereign wealth fund like Norway's (see p.) instead of dissipating wealth with tax cuts that inevitably favour the rich. Underlying such developments is a widespread attitudinal and values change in people brought about largely by education.

I return to this question of what comes next in the final Chapter in this book.

Unreason and post-truth politics

Had we not pushed for relentless growth in a carbon-based economy, had we not invaded Iraq, or chopped up and redistributed the Middle East in the last century, but paused for reasoned and careful thought about consequences, these problems would be very much less than they are today.

In July 2014 John Connor had described Tony Abbott's handling of the carbon tax debate as the 'nadir of post-truth politics'.²¹ However in Australia that honour must surely go to Malcolm Turnbull's handling of the same subject. Turnbull actually moved from an evidence-based and considered position on handling climate change to a cowardly and

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mendacious one. Did he do this to save his job as prime minister, or had he really changed his mind about climate change? More on that in Chapter 5.

The US elections showed that post-truth politics is the new normal, Oxford Dictionaries even declaring 'post-truth' as the word of year for 2016. Professor Carl-Henrik Heldin, Chairman of the Board of the Nobel Foundation, said:

Leading politicians – both in Europe and the United States – are winning votes by denying knowledge and scientific truths. Populism is widespread and is reaping major political successes. The grim truth is that we can no longer take it for granted that people believe in science, facts and knowledge.²²

We are now living in a world of unreason that at least in politics is approaching that of pre-Enlightenment days.

CHAPTER 2

MAXINE'S STORY FROM THE TRENCHES vs JULIA'S STORY FROM THE BENCHES²³

The downfall of the dullest man

On being elected prime minister in 1996 John Howard was threatened on the right by Pauline Hanson's racist One Nation Party, but he soon fixed that by gobbling up her policies, which took his Party even further to the right. Against the odds, he went to the 1998 election with the promise of a GST, which nearly lost it for him. The Coalition got fewer votes than Labor but more seats. He didn't have the Senate though, and the Democrats who had the balance of power were elected on an anti-GST platform. Howard negotiated for nearly three days with Meg Lees, the Democrat Leader. Being locked up with Howard must have been an increasingly unpleasant experience for her because she capitulated, with some concessions in the final bill. Neoliberal policy had won; the Democrats were broken as a credible party. Thank you Meg Lees.

Labor looked set to win the 2001 election but was stymied by two factors. The first was the *Tampa* affair, when a Norwegian freighter picked up 438 asylum seekers from a distressed vessel. Howard would not allow the *Tampa* into Australian waters, and although this was clearly in violation of international law, it went down big with racist voters in swinging seats. Kim Beazley, Labor opposition leader, meekly followed Howard's lead, the effect of which was to further compound Labor's policy confusions.

The second factor that saved Howard was the attack on the World Trade Centre on September 11, 2001. This was a gift to conservative governments generally, given their bellicose tendencies and the massive insecurity this attack engendered in the West. Howard was in Washington at the time, and entirely off his own bat immediately pledged Australian support for the US invasion of Iraq. The US motivation for the Iraq War was twofold: to grab Iraq oil, and to destroy the infrastructure of publicly owned water and utilities so they could be privatised and taken over by Vice President Cheney's corporation Haliburton. None of this was any of Australia's business yet Howard pledged Australian support for Bush's invading Iraq with no reference to Parliament, and well knowing that a great majority of Australians were against any such war. It says much about Labor's lacklustre appeal under new leader Mark Latham that, despite the Iraq atrocity, Howard won the next election.

Howard's downfall came in the 2007 elections. Howard, now in command of the Senate, introduced the deeply unpopular Work Choices, a bill that severely disadvantaged workers.

That clinched it: he lost the 2007 election and his own seat to Maxine McKew. Bill Bryson was rather naughty as a visiting commentator when he wrote:

John Howard is by far the dullest person in Australia. Imagine a very committed funeral home director whose burning ambition from the age of eleven was to be a funeral home director.... Then halve his personality and halve it again, and you have pretty well got John Howard. ²⁴

After 11 dreary years of him, voters were tired of their dull as dull funeral director.

Maxine McKew enters Parliament

After years as a highly respected political reporter, Maxine McKew, in *Tales from the Political Trenches*, described how she wanted to be a player in politics not a voyeur, as Keating had put it to her. She was approached by the right faction NSW to have a 'safe seat' in the 2004 election but in return they demanded her loyalty to that faction. Disgusted, she wanted to be beholden to nobody, except perhaps to Kevin Rudd who she greatly admired at the time. Her husband, Labor veteran Bob Hogg, suggested she put herself forward in the 2007 election for Howard's seat in Bennelong. She ran an intense but clean campaign, specifically avoiding disparaging her opponent – not orthodox Labor campaigning – and won, thereby making political history: a newcomer defeating an incumbent Prime Minister. Rudd and his team won in 2007, the size of their victory making more political history.

Once in parliament, however, McKew didn't see much of Rudd: he was frenetically busy. His office posted dot-point phrases all politicians had to echo when talking to the press, inevitably making them sound robotic and insincere. McKew had plenty of good things to say about her field of early childhood education and said so to the *Sydney Morning Herald*. At 6am next morning, Rudd's minder Lachlan Harris was on the phone blasting her for daring to talk outside the guidelines for the day. She had thought servile obedience was not what politics was about but that doing a good job within your remit was. Lachlan Harris was quick to try to put her right on that one.

She had been looking forward to participating in a 'contest of ideas', which Keating had told her was what politics was all about, only to discover that MPs of less than ministerial status had little or no input. Instead, Rudd, Gillard, Swan and Lindsay Tanner – the Gang of Four – were running things by themselves. Ministers outside this so-called 'kitchen cabinet' might well present their case for a given policy within their area but were excluded when a decision was being taken. McKew was also shocked at the power the faction leaders had: she described them as 'apparatchiks whose aim was self-advancement' and who seemed unconcerned about the good of Australia – even about the good of the party, as later events showed. Rudd, like McKew herself, was atypical in the ALP in that neither had a union

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background and were not beholden to any factions. This, she says, was a major reason why Rudd was deposed.

McKew found she didn't like the way politics was played. The real enemy, she was told early in her parliamentary career, was more likely to be sitting beside her rather than on the opposite benches. Competition was fierce in a zero-sum game: your promotion meant that someone had lost. To get on you had to have a 'look at me' profile, ask shrill even silly questions, denounce the opposition in the media, but *never* deviate from the orders of the day.

Rudd's 'ambush'

As for what she calls the 'ambush', meetings of the chief conspirators – mainly Gillard, Swan, Mark Arbib, Paul Howes and Bill Shorten – had been ongoing since January 2009, six months prior to Rudd's 'knifing'. McKew's anger at the attack is palpable. If Rudd was as bad as his erstwhile colleagues had claimed, she finds it incredible that not one minister had the guts to warn Rudd to lift his game or there might be a takeover. She says: 'It is surely beyond tolerable that a modern party can have its fortunes determined by half a dozen largely trade union leaders who see themselves as more influential than the party's elected parliamentarians.' Outside this cabal, a majority of the party sided with Gillard but several admitted later to McKew that they had been misled and manipulated; in retrospect, they had deeply regretted that they had voted Rudd out.

McKew's view, like that of many others, was that Rudd had won a massive victory in 2007, his approval rating in the polls at 66%. He made the long-awaited apology to indigenous Australians, ratified the Kyoto protocol, brought Australia through the GFC with hardly a bump, brought Australia into the prestigious G20 group of countries, declared climate change 'the greatest moral challenge of our time' promising stern measures to combat it, and implemented a home insulation scheme. Unfortunately, the latter was spoilt by some cowboy contractors for which Rudd unfairly received the blame. In short, Rudd was appearing as a resounding success as PM, although by 2010 public support declined over several mishaps: the mining super-profits tax was bungled, carbon pricing had been delayed, and his humane policies on asylum seekers saw a sharp rise in boat arrivals. Nevertheless, his ratings at this time were not as low as Howard's had been in his first term or Keating's in 1993, yet both were re-elected. To replace a PM who had been personally elected as PM, with someone who had not been elected as PM, was seen by many as an outrage.

McKew's version of the reason for the ambush, quoting a Labor MP, was that 'Rudd treated some of the factional operatives like shit, which is to his eternal credit. He wasn't going to let them run his government and nor should he. He was contemptuous of them. They thought, we'll show you. And they did.' (p.160). In McKew's words, Rudd 'didn't genuflect and kiss the ring' of the small group who saw themselves as the owners of the Labor Party.

Gillard's story

Gillard's *My Story*, written after the 2013 elections when she had left Parliament, tells her version of events, which is rather different from McKew's. The book is in two sections: *How I did it*, which is all about her tactics in deposing Rudd, and *Why I did it*, which outlines her beliefs and values and her views on various policies. The how and the why should be logically interrelated and it is perhaps typical of her that she keeps them separate: she sees herself in Section 2 holistically as a person who perceives the wood, but Section 1 is all about the trees. So which is 'the real Julia', the tactician or the policy strategist? The pragmatic 'why' – why she stood against Rudd – is not about policy but about the fact that as she and others saw it, governance under Rudd was chaotic. As she said: 'the closer you were to the centre of the Rudd Labor Government the more critical you were of Kevin.'

Gillard agrees that Rudd did indeed treat his colleagues like shit, right from the start: summoning MPs to his office and making them wait often for hours, cancelling appointments well into their wait, ferocious temper tantrums that sometimes reduced female and male colleagues alike to tears, convening committees then over-riding their recommendations, making spur of the moment headlines that threw plans into chaos. What concerned Gillard and colleagues even more was that when the UN Framework Convention on Climate Change (UNFCCC) Conference in Copenhagen had folded in disagreement – which the ever diplomatic Rudd said had been 'ratfucked by China' – Rudd had slipped into a mental state that made him incapable of leading the government. 'It was my strong belief,' she wrote, 'that after some recovery time, his (KR's) dominant emotion would be relief – he had become so wretched as leader.' In other words: 'I can see you are unhappy in your job, so I'll take your job away from you. I'm sure you will be relieved and even thank me!' He was not relieved as his later behaviour showed. And he didn't thank her.

Gillard said that in January 2010 she tried to get Rudd to decide when to call an election and to start implementing his policies, particularly those on climate change, but he became increasingly impossible to deal with. And that, she and several colleagues decided by June, was no way to run the country.

He had to be replaced, they decided, especially with an election looming. Which as it turned out was precisely the wrong decision.

Action on Climate Change

A major difference between McKew's and Gillard's accounts is about climate change. Gillard says she was always persuaded by the science on climate change and was strongly in favour of taking measures against it. She recalls that that had been Labor policy since both Hawke and Keating governments signed on to the UN convention on climate change, ratifying it in

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1993, which led in turn to the Kyoto Protocol. Howard initially signed this Protocol but negotiated massive reductions for Australia and later refused to ratify it.

Al Gore's *An Inconvenient Truth* made climate change a popular issue that forced Howard's hand and by 2007 both Labor and Liberals promised to create a market-based Emissions Trading Scheme (ETS). By 2008, however, public interest had cooled off due to several factors: the cost of carbon reduction, the (incorrect) assumption that electricity bills would soar, the GFC, the failure of the Copenhagen Conference, questioning the science by some rogue nonclimate scientists and by out and out charlatans like Lord Monckton who didn't even have a science degree. All got massive media coverage, particularly in the Murdoch press. All of which encouraged Tony Abbott, who also hasn't got a science degree, to proclaim authoritatively that 'the argument behind climate change is absolute crap.'

Although Rudd reacted badly to this change in public concern, a carbon pollution reduction scheme (CPRS) had been worked out by December 2008, targeting 15% below 2000 emissions by 2020. Penny Wong, Wayne Swan and Rudd were a subcommittee to work out strategy on this basis but Rudd changed meeting dates on a whim, and progress was slow. Rudd then decided to postpone implementation by a year to allow business to recover from the GFC, but increasing the target to 25% by 2020 in order to assuage environmentalists. Rudd had thought he could take the CPRS to the December 2009 Copenhagen Conference to show how Australia was leading the world. Unfortunately, the CPRS was defeated in the Senate in August, the Greens astonishingly siding with Liberals. The Greens had made a bad tactical mistake: had they voted with Labor, a carbon reduction scheme would have been in place for over eight years by now.

Malcolm Turnbull, then Opposition leader, and Rudd were negotiating a bipartisan deal – and that was why the hard right in the Liberal Party saw Turnbull defeated as Leader by one vote. That was the end of any bipartisanship on action against climate change. The Coalition as Gillard says 'went from divided but mostly rational on carbon pricing, to united and irrational almost overnight' (p.370).

A report in the *Sydney Morning Herald* by Peter Hartcher, a friend of Rudd's, gained immediate traction: that 'Gillard was determined to stop Rudd proceeding with the scheme'. Gillard says this is quite wrong: 'The suggestion that he was too weak to stand up to me if he wanted to is absurd.' Hartcher's report, undoubtedly sourced from Rudd, and the confusion between a tax and a trading scheme, led to a widespread belief that Gillard had used climate change action in an unprincipled and opportunistic way: *for* action in the 2007 election, *against* action in order to discredit Rudd, and *for* action again when doing a deal with the Greens. In her own account however she was consistent throughout and that she and colleagues were thwarted by Rudd's dilly-dallying.

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Post Copenhagen Rudd had wanted to move to a direct action scheme like Abbott's. Gillard and Penny Wong tried to dissuade him as it was 'obviously policy nonsense'. During 2010 Rudd was not campaigning any more on carbon reduction whereas Abbott was kicking goals with his own strident messages. Gillard proposed postponing legislation until a bipartisan agreement could be formed, which seems naïve given the Opposition's hard-line policy was up and running. Worse, a cabinet leak said that the CPRS was to be taken out of the budget and was effectively off the agenda. All of this, a product of bad luck and bad management, did severe damage to Labor's credibility on climate change.

Gillard's account of action on climate change sees nonaction as mostly Rudd's fault. McKew, on the other hand, makes no bones about what she sees as Gillard's position: Gillard 'wanted plans for an emissions trading scheme junked and from the beginning of 2010 never let up in putting forward this point. ... She thought the government should drop the whole idea of an ETS because it had become electoral poison. .. She told Rudd that under no circumstance would she support the case for an election based on the need for action on climate change.' (McKew, pp 172, 173).

Who to believe?

Gillard's account might be read as overly defensive but on the other hand McKew could not have been present at most of these discussions, so how would she know for certain who had said what? If her source was Rudd or his 'cavaliers' then that's what they would say about Gillard. Both are probably partially correct. Gillard was ultimately for postponing the Carbon Pollution Reduction Scheme (CPRS), which could be interpreted as her seeing it as electoral poison at the time when Abbott was storming on about 'this toxic tax'.

Gillard's performance re climate change was probably due more to poor management, on both her part and especially Rudd's, as to cynical opportunism on her part. Her 'there will be no carbon tax under the government I lead' and then passing the CPRS was a bad look, earning her the title of liar. But she didn't lie: the CPRS is not a tax. A carbon tax implies that the government would simply tax companies for their carbon emissions. The CPRS is an emissions trading scheme on permits that may be bought and sold at a fixed price. She should have pointed this out. Instead, she accepted Abbott's calling the CPRS a 'tax', even using the term herself. Years later, she admitted to that mistake.

Was Gillard planning, or as McKew would say plotting, against Rudd before the fateful 24th June, 2010? Gillard says: 'I made a decision to run for Prime Minister on the day I walked into Kevin Rudd's office and I asked him for a ballot.' McKew does not believe this or that she was pushed into the PM's job at the last minute and against her will: 'Gillard's forensic attention to detail sets her apart and her careful planning of every career move is legendary.'

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I tend to agree with McKew in doubting that Gillard was reluctantly pushed into the role of prime minister. She might have been reluctant about the timing; her preference would have been after the 2010 election but things seemed so bad to some Labor ministers they acted before the election. That was another bad mistake. Had he remained leader Rudd almost certainly would have delivered a majority Labor Government in the 2010 election. And then, if he still behaved erratically post-election, he could be replaced without much drama at all.

Gillard blames Rudd for the disaster of the mining super-profits tax. McKew claims it was Swan and the Treasury who so misjudged the timing and form of that tax. Swan in particular ignited the mining industry's expensive and effective thrust back, when previously they and the government had agreed in principle to a different form of profits tax.

In reviewing McKew's and Gillard's stories it is notable that the two did not like each other from the start. McKew was posted as parliamentary secretary for early childhood education (ECE) under Gillard, who was then Minister of Education. According to McKew, Gillard was condescending, authoritarian and didn't consult, and when McKew offered advice on ECE, which was her remit and a subject dear to her heart, Gillard ignored it. Despite all that, McKew together with the state education ministers stitched together a national framework for ECE and new professional standards for early childhood teachers.

Gillard for her part damns McKew with faint praise. Whereas McKew was proud of her achievement in brokering a national framework for ECE, Gillard wrote that 'Maxine had misread generalised support for change as specific support for a particular change'. When McKew lost Bennelong in 2010, Gillard commented: 'Maxine had found it hard to adjust from the adrenaline of the 2007 national-spotlight campaign to the day-to-day slog of being a marginal seat member.'

This is not at all how Maxine herself describes her 2010 campaign.

Gillard as Prime Minister

McKew doesn't say much about Gillard's term as prime minister. In discussing the change of leadership, however, one must evaluate Gillard's performance. It is clear even from her own account that many things went wrong as she admits: timing, not least over ousting Rudd, asylum seeker policy and dithering about the mining tax and climate change policy. Neither did the silly egocentricity of 'the real Julia', and the vacuous 'moving forward', go down well.

All that said, however, her achievements were in fact considerable. She negotiated a minority government that survived the full term despite relentless attacks from the Opposition and the press, which says a lot for her negotiating skills. Her government passed important legislation, such as the CPRS, the national disability scheme, the mining tax, the Gonski education reforms and unfairness in superannuation tax. The performance of her

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government was also better than the Howard Government's on inflation, interest rates, household savings, personal tax rate, company tax rate, international credit ratings, foreign exchange reserves, current account as a percentage of GDP, balance of trade. It was a successful government by any standards.

This legislative history in one term in minority government is more than Howard was able to do in three terms with majority government. Despite the appearance of mayhem, Gillard steered more positive legislation through parliament than had been passed under any other recent Australian Prime Minister.

Unfortunately her government wasn't *perceived* to be successful, thanks to lies and vicious attacks by the Opposition, all echoed in the Murdoch press. Almost equally as important, her ministers didn't *explain* their policies. Rudd had real problems with the programmatic specificity needed for adequate communication and he was continually trying to undermine Gillard; both Swan and Gillard spoke in a way that invited people to switch off; and the distraction and hectic pace of the leadership change had placed a heavy workload on ministers. Whatever the reasons, the lack of adequate communication with the public was a grave mistake. They should have had, and deserved to have had, better PR about their work.

The vicious, personal and unprincipled attacks by the Coalition, and by Tony Abbott in particular, with the brazenly biased support of the Murdoch press, had misled the public. These attacks were all the more effective because of her lacklustre delivery – except for one memorable parliamentary speech in which she flayed Tony Abbott raw for his misogyny. Why didn't you treat us to more of the real Julia, Julia?

Climate change policy earned Gillard the sobriquet 'Juliar', jaw dropping in its hypocrisy coming from the likes of Tony Abbott (see p.). She notes that Keating and Howard changed their policies pre- and post-election many times but they were never branded John-liar or Pauliar. Likewise, Keating wasn't called a traitor for challenging Hawke, but she was for challenging Rudd. She believes, certainly correctly, that this was because women aren't supposed to challenge alpha males. She describes other sexist attacks on her in detail and they make sickening reading. She was rightly enraged but she handled the attacks with dignity, culminating in her powerful misogyny speech.

In her book, Gillard repeatedly says things like: 'I drew on my resolve', 'The same sense of purpose to drive me on' and the like, which might give the picture of a strong determined person – but I'd rather she hadn't felt the need to keep telling us this. Show, don't tell: much more convincing.

Had the ALP become dysfunctional under Rudd II?

Internal fighting between pro- and anti-Rudd forces within Labor gave the public impression of a party and a government that was out of control. During the 2013 election campaign the

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Coalition did not put up any positive policies beyond mindless three word slogans such as 'stop the boats', 'axe the tax', promising to dismantle virtually everything Labor had put up, and to bring the budget back to surplus without saying how. All that notwithstanding Abbott easily and undeservedly won the 2013 election. That's how low Labor had been painted in public esteem by the press and Liberal name-calling.

No surprise then that McKew raises the wider issue of the functionality of the Labor party itself. There is the question of party discipline, of not speaking outside top-down instructions, of doing what you are told by brash unelected minders who think it appropriate to loudly abuse elected members at six in the morning, of having no part in discussing ideas even in the area of your remit and supposed expertise. And you'd better come from the traditional Labor background and have allegiance to one faction or another.

If McKew's account was even only partly true – and it was surely much more than that – there seemed to be little hope for the ALP. It had lost its roots and had become a principle-free zone driven by spin and polling. The elected leaders governing the country were so craven, and/or so easily manipulated, that they did not speak out against what they later admitted to be patently wrong: deposing a popular leader in his first term as prime minister. The culture McKew describes is one of disrespect, bullying, game-playing and big-noting yourself if you want to survive. How can you represent your electorate when so hog-tied? This is not representative democracy or even any sort of democracy, for once elected you become the creature of an unelected minority, the factional powerbrokers.

A major problem for Labor is that since Hawke and Keating took neoliberal economic policy on board, the gap between Labor and Liberal narrowed drastically. To win against the Liberals they had to outdo the Liberal Party on that party's own home ground, which also came to include what to do about asylum seekers and that it had better be very nasty. If policy is not differentiating the parties any more, personalities and presidential type leadership become paramount. Significantly, Lindsay Tanner quit Parliament soon after Rudd's removal, not he assured us because he was on one side or the other on that issue, but because he was deeply disillusioned about them all. As he made clear in *Sideshow*, politics as amplified by an unprincipled press becomes all about spin and entertainment, not about governing the country well. And what more entertaining than the press reports of Rudd undermining Gillard?

After the 2010 election, Gillard said that Rudd 'brought all his formidable skills to bring me down and seize the leadership', but 'I was never going to voluntarily submit to the Labor Party being taken over by Kevin and those who had behaved so disgracefully ... to do so seemed to me a tacit endorsement that their tactics were acceptable. ... to do so would be to signal that the Labor Party was no longer a party of purpose.'

Really? Maxine's experience was hardly that of 'a party of purpose.'

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When the party had already sacked Rudd for being unmanageable, unpredictable and finally incapable of action, to put him back into the leadership was unfathomably stupid. And he acted true to form, particularly in the last week of the 2013 election campaign when he proposed moving Sydney's naval facilities to Brisbane, and despite his previous 'humanitarian' stance on asylum seeker policy in his second term he tried to out-cruel the Coalition with his New Guinea solution of Manus Island, which turned out to be a terrible disaster. Replacing Gillard with the man they had previously found to be a chaotic leader, and later under Gillard a treacherous wildcard, showed that the Labor Party was indeed no longer a party of purpose or of principle. They didn't seem to know where they were going.

If good people like Maxine McKew, who was committed to Labor values, couldn't fit in with the culture of the Labor Party, and given the dysfunction of the party that emerged also from Gillard's own account, then Labor, and Australian politics in general, were in deep trouble.

Yet only three years later, it wasn't Labor that was sinking deeper and deeper into the mire but the Coalition. Parachuting the seemingly charismatic Malcolm Turnbull in to save the day didn't work. The bargain was that if he wanted to stay as leader, despite – or rather because of – his middle-of-the-road views on climate change and same-sex marriage, he had to support Abbott's policies. That bargain turned him into a hollow man. Not surprisingly within months Turnbull was polling worse than Abbott did at the change of leadership. That amazing story is told in Chapter 5.

Equally amazing was that Bill Shorten, who was instrumental in deposing both Rudd and then Gillard, at last provided the party with policies that differentiated Labor from the Coalition. Labor under Rudd and Gillard had bungled their head start on climate change, but under Shorten there was a turn-around: a commitment to 50 per cent renewables by 2030, closure of coal-fired power stations, \$500 billion to revitalise the Great Barrier Reef to name a few. Such policies are in stark contrast to those of the Coalition, with the major exception of asylum seeker policy to which Labor cravenly continued to support to the disgust of many party members.

It may well be that Maxine's criticisms about the power of factions still apply, but in the 2016 elections, the factions got a severe hammering from the electorate. Lisa Singh, a particularly effective Labor Senator but not aligned to any faction, was placed at the bottom of the Labor Senate ticket by the powerbrokers. That enraged many Labor and nonLabor voters to the extent that she made electoral history by being elected to the Senate despite being the last on the ticket.

I hope the ALP takes this as a stern warning against factional bullying but we'll have to wait and see on that one.

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CHAPTER 3**WAS THE ABBOTT GOVERNMENT FASCIST?²⁵**

After Tony Abbott had won the 2013 Federal election, people were shocked at where Australia seemed to be heading. So where was Australia heading? Towards fascism? There were straws in the wind.

The Collins Dictionary defines fascism thus: *n* 1 any doctrine, system or practice regarded as authoritarian, militaristic, chauvinistic or extremely right wing.

More specifically, a fascist government has the following characteristics: a strong leader or small group of leaders with psychopathic tendencies; a culture of lying; it rules by fiat and slogan; defines and maintains an underclass while redistributing wealth and power to an elite; it filters information so that the government only receives advice it wants to hear; it controls the media; it is nationalistic and militaristic; it is a poor world neighbour; it takes over industry and commerce; and the strongest defining characteristic, it proposes to establish through violence a new ultra-nationalistic order.

How did the Abbott Government stack up against these criteria?

A strong leader or small group of leaders with psychopathic tendencies

A fascist leader is obsessed with power and control for its own sake and will do whatever it takes to grab and maintain power. This suggests a strong streak of psychopathy. Psychologist Lyn Bender asks 'What if Abbott and his cronies are just a bunch of psychopaths?'²⁶ Psychopaths are commonly described as lacking empathy and compassion, they do not reflect on their own behaviour, exhibit narcissism, do not experience guilt or remorse, are given to compulsive lying, seek revenge, and see the end as justifying the means. Bender made a startling case that Abbott and some of his ministers exhibited psychopathic tendencies, mentioning Joe Hockey and Scott Morrison to which one might now add Peter Dutton. Donald Trump shows all these characteristics in spades (see Chapter 7).

Abbott himself lacked empathy and compassion on several occasions. In October 2007, he accused dying asbestos victim Bernie Banton's public protest against James Hardy as 'a stunt'. During a visit to Afghanistan in February 2011, his comment on being told the details of how an Australian soldier had died was 'shit happens.' When a Channel 7 reporter questioned Abbott on this comment, he glared at the reporter, jerking his head for a full 28 seconds, remaining silent, as if too outraged to trust himself to speak.²⁷ Later on talk-back

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radio, a grandmother on complaining about the budget said she was forced to do telephone sex work to make ends meet. Abbott smirked and gave the radio host a sleazy wink.

Laurie Oakes said these and other 'flat-footed comments will surely call his leadership of the Liberal Party into question ... and he will pay dearly for it.' Oakes was correct, sooner than he had thought.

Rules by fiat and slogan

The following is attributed to Nazi leader Joseph Goebbels:

The most brilliant propagandist technique will yield no success unless one fundamental principle is borne in mind constantly – it must confine itself to a few points and repeat them over and over.²⁸

That was exactly how Abbott had conducted his campaign, with mindless slogans such as 'stop the boats', 'repeal the carbon tax', 'earn or learn', repeated *ad nauseam*. No explanation, no justification. It worked for Goebbels and it worked for Abbott in the 2013 election.

Political debate in a democracy has parties standing on different platforms. The idea is that come election time politicians should argue their case with evidence and logic, taking apart their opponents' case likewise with evidence and logic. When candidates hurl insults at each other, as happens, they are the exhaust pollution that comes from a working engine. Prior to and during the last Federal election, however, Tony Abbott brought political debate to an all-time low in Australia: the pollution of insults occurred without the working engine.

And he had left a poisonous culture as a legacy: the next Parliament, under Turnbull, was just as bad. Turnbull himself succumbed to yelling insults after promising not to.

A culture of lying

Fascist governments survive through a culture of lying. Joseph Goebbels again:

If you tell a lie big enough and keep repeating it, people will eventually come to believe it. The lie can be maintained only for such time as the State can shield the people from the political, economic and/or military consequences of the lie. It thus becomes vitally important for the State to use all of its powers to repress dissent, for the truth is the mortal enemy of the lie, and thus by extension, the truth is the greatest enemy of the State.'²⁹

Political lying is not defined in terms of broken promises, which happens in all parties, but as 'a knowingly false statement by a politician, expressed with the intention to deceive'.³⁰ On this criterion, the lie score of recent political leaders is as follows: Kevin Rudd 1, Alexander

Downer 7, John Howard 15+, Tony Abbott 30, other recent leaders of all parties, including Julia Gillard, 0. The Federal Liberals in the Abbott Government were thus by far the most mendacious of all other parties, and Abbott worse than other Liberals.

A perfect illustration of that last question was Kerry O'Brien's interview with Abbott where he tried hard to pin Abbott down on about his lying.³¹ Abbott's reply was essentially this: 'If I didn't put it in writing more fool you for believing me.'

Defines and maintains an underclass while redistributing wealth and power to an elite

Abbott destroyed virtually every positive initiative established by Labor: their social justice initiatives including Gonski, the National Disability Insurance Scheme, anything to do with combatting climate change, mitigating gambling reforms, superannuation tax relief for low income earners, and much more. Fortunately the Senate blocked this assault on the least privileged. Four years later Turnbull diluted Gonski funding and the NDIS in a bid to de-Abbottise Coalition policy (see Chapter 5).

In 2013 Australia had a Triple-A credit rating, 22 years free of recession, a strong health care system, and one of the lowest debt to GDP ratios in OECD countries. Yet the Abbott Government claimed that in view of Australia's economic crisis (a lie), a really tough Budget was necessary (another lie), and that ordinary Australians would have to do the 'heavy lifting' (yet another lie). The gaming industry had of course to be protected against proposed gambling reforms so they were scrapped. All these changes would benefit the wealthy enormously and correspondingly hit the poor. In 2013, ABS figures showed that the wealthiest twenty per cent of the population owned 61 per cent of household net worth, while the lowest twenty per cent owned less than one per cent.

His proposed 2014 Budget pulled out all the neoliberal stops: it would have cut the school student bonus but a paid parental leave scheme would hand up to \$75,000 pa to already wealthy people. The super payments of those on \$35,000 pa or less, previously tax free, would be taxed at 15 per cent, while scrapping Labor's plan to tax the richest retirees' super funds handed a total of \$300 million to the richest Australians. Taxes for small businesses would be increased but taxes for mining and for corporations paying the carbon tax would be cut, including the diesel tax. And with a nasty placement of the boot, he would cut supplementary allowances for the unemployed on Newstart and youth allowances. Unemployed 23-year-olds stood to lose 18 per cent of their disposable income, an unemployed sole parent with an eight-year-old child would lose 12 per cent. By contrast, a high-income couple with a combined income of \$360,000 a year would lose nothing they'd notice. People under 30 would not receive any benefits at all if they lost their job, leaving them with nothing to live on. Family Tax Benefit would be restricted to those earning under \$100,000 and payment stopped when their child reached six, previously 16. The 'heavy lifting' was to be done by those with the weakest arms.

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It later transpired in the Cabinet Files fiasco (p.) that the expenditure review committee preparing for the 2014 budget, comprising Abbott, then-treasurer Joe Hockey and current Finance Minister Mathias Cormann, considered banning *anyone* under 30 years of age from accessing any income support, thereby saving \$9 billion over four years. The idea was dropped as other members of the coalition thought the backlash would be damaging, but what an insight into the cruel way Abbott and company were thinking.

That notwithstanding there was outrage enough when at Budget time a lucky photo showed Treasurer Joe Hockey and Finance Minister Matthias Corman sitting outside in the sun, enjoying fat cigars, grinning with self-satisfaction, presumably at the way in which they were proposing to shaft the lower orders.

Hockey advised the homeless that they could afford a house by 'getting a good job that pays good money'; he raged at those awful people who 'double-dipped' on a parental leave scheme or by earning a few bob while on welfare or studentships. When Turnbull as the incoming PM didn't appoint Hockey his Treasurer, as Hockey thought he deserved, he resigned from Parliament only to be rewarded for his incompetence by being made Ambassador to the US at a salary of \$360,000. In addition, he would receive his Parliamentary pension of \$90,000. Even then, when in New York, he charged his baby-sitting fees to us taxpayers back in Australia.

Double-dipping Joe? You said that that was not nice when single mothers did it.

Policies on health and education

Related to creating an underclass were the attacks on health and education. The Abbott Government would have introduced a \$7 co-payment and increased pharmaceutical fees in the health budget as the first step in dismantling Medicare and setting up a more privatised health system along US lines. Note: the US spends 17.7% of GDP on health for a far worse and inequitable system than ours, whereas Australia spends 9.5% on health, including Medicare, for a much superior health service. This difference is largely attributable to the fact that if people don't go to the doctor the later consequences can be expensive. The proposed Budget intervention on health could not therefore have been about economics or efficiency of service; instead it looks like another deliberate hit at the poor.

The planned redrafting of Section 18C of the Racial Discrimination Act was another tactic in defining an underclass. The change proposed by Attorney-General George Brandis would have made it okay to offend, insult or humiliate anyone of different or the less fortunate of the same ethnicity. Turnbull endorsed Brandis's stance on 'free speech' but fortunately the Senate killed that off in March 2017. Asylum seekers had already been demonised by Howard as child murderers. To Australia's shame, that worked to Howard's electoral

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advantage. Freedom to insult and humiliate is just the weapon to make the lower orders know their place.

The National Curriculum, started in 2008, lists a number of 'general capabilities', such as creative and critical thinking, ethical and intercultural understanding, that are likely to educate the public in critically evaluating government policy rationally. Education Minister Christopher Pyne described that curriculum as having a left-leaning bias, so he appointed two reviewers to ensure the curriculum is 'balanced and fair.' To ensure 'balance' one appointee was a Liberal Party staffer, the other ran a conservative think-tank on educational issues. Both support compulsory religious education in schools. The way of reason evidently has no place in a neoliberal education.

Abbott gutted the Gonski educational reforms with its egalitarian intent, but handed more and more largesse to independent schools. \$245 million had been allocated to finance untrained chaplains to provide ideologically tainted support for students, at the cost of many professionally trained social workers and psychologists. Abbott attacked science, research and education as if it were a social vice, all the instrumentalities set up by Labor for climate change and renewable energy abolished. All of which was psychopathically irresponsible.

But there was meaning in all this madness. Fascist governments need an elite and an underclass. That is exactly what the Budget and other legislation would have helped to define.

Filters information, controls the media

A fascist government does not want to entertain information or to consider possibilities it doesn't want to hear: 'the truth is the enemy of the State', as Goebbels had said.

Abbott stacked all committees and inquiries he set up with far right wingers and climate change deniers, such as the Royal Commission into pink batts and the National Commission of Audit. Clearly, he was not interested in seeking the truth but to gain the result he wanted. Three years later, Donald Trump showed us how that really should be done (see Chapter 7).

SBS and especially the ABC were accused of left wing bias, although most ABC current affairs panels like The Drum and Q&A carefully balance left and right wing invitees. Both SBS and ABC suffered heavy cuts after being promised pre-election there would be no cuts.

A fascist government controls the media, no dissent allowed. There was little need to filter the press for News Corp, which backs the far right 100 per cent, is the most widely read.

Robert Manne wrote:

Murdoch's domination of the metropolitan press has two main consequences for our democracy. First, any government, no matter how worthy or unworthy, is now vulnerable should News Corp decide to target it in the way it targeted the Gillard government more than two years ago. Second, while News Corp retains its present dominance, mainstream debate about certain fundamental ideologically sensitive questions – how to respond adequately to the climate-change crisis; what levels and kinds of taxation are needed to develop the welfare state; the trajectory of foreign policy during the rise of China; Australia's Middle Eastern policy; and, of course, media reform – is effectively ruled out in advance.³²

Is nationalistic and militaristic

The militarisation of Operation Sovereign Borders was entirely unnecessary, turning what should be a humane rescue operation into a military exercise complete, with military-style uniforms and tight security clamps on information. Its handling probably reflected Scott Morrison's militaristic fantasies as much as Abbott's, and now ex-cop Minister Peter Dutton's. General Jim Molan was appointed in charge of Operation Sovereign Borders with its militaristic stamp, now replaced by Australian Border Force with its very own smart new uniform to make it look even more militaristic.

In that time of supposed financial crisis, defence spending was increased to \$122.7 billion for the four years to 2018, which amounts to 2 per cent of GDP, including the purchase of 58 Lockheed Martin F-35 Joint Strike Fighters for \$12 billion. The F-35 is regarded as a lemon in military circles and by Trump himself: overpriced, too slow, lacking manoeuvrability and highly visible to radar. Oddly, the F-35 is designed for attack not for defence. Arming for defence makes sense for Australia, but who are we going to attack? Then there is a further \$50 billion for 12 new submarines. A couple perhaps, but why 12? It doesn't make clear sense in real world priorities.

Is a poor world neighbour

Being a good world neighbour means signing human rights treaties and adhering to them and to international law. Australia has signed 12 such, including treaties on refugees, torture, rights of children and of people with disabilities. Many of these treaties have been broken with regard to aborigines, as revealed in John Pilger's 2014 film *Utopia*, and in past and current asylum seeker policy.

Abbott damaged foreign relations with Indonesia, with China, and with East Timor, the latter by defrauding Timor Leste of oil rights in favour of Woodside Petroleum's interests. That chicken came home to roost when in September 2016 the Permanent Court of Arbitration in The Hague found in favour of East Timor. Foreign Affairs Minister Julie Bishop

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gracefully said that Australia 'accepts the commission's decision and will continue to engage in good faith as we move to the next phase of the conciliation process.'

Very damaging to our international reputation was an \$8 billion cut in foreign aid to impoverished countries, lowering foreign aid currently to .23 per cent of GDP, compared to England's .7 per cent. Twenty per cent of all the cuts in foreign aid has been borne by the poorest countries in the world.

East Timor was bullied into relinquishing their fair share of rich oilfields in the Timor Sea, using ASIO to sabotage Indonesia's attempts to right matters by arbitration in The Hague who nevertheless ruled in East Timor's favour. Our bullying of East Timor was claimed to be 'in the national interest' when it was entirely in the interests of the Australian corporate giant Woodside Petroleum. Abbott also managed to incur Indonesia's wrath by hacking into the private phones of the President, his wife and his close staff, and by invoking policies on asylum seekers that involve Indonesian support without checking first with Indonesia. For all of which he refused to apologise. No, Abbott's Australia did not make a very good global citizen.

The Minister for Immigration was given responsibility for 'Border Protection', which Scott Morrison (who in his youth must have been the meanest bully in the school playground) had enthusiastically enacted. He had militarized stopping the boats by calling it 'Operation Sovereign Borders' with an army general in charge, and army security: questions answered, this was not the business of prying citizens. Some detainees were imprisoned indefinitely, including children, in order to discourage others from trying their luck. In his maiden speech to Parliament in 2008, Morrison said:

From my faith I derive the values of loving kindness, justice and righteousness, to act with compassion and kindness, acknowledging our common humanity and to consider the welfare of others; to fight for a fair go for everyone to fulfil their human potential and to remove whatever unjust obstacles stand in their way ... Desmond Tutu put it this way: 'We expect Christians ... to stand up for the truth, to stand up for justice, to stand on the side of the poor and the hungry, the homeless and the naked, and when that happens, then Christians will be trustworthy believable witnesses.' These are my principles.

How squared those principles with his overt cruelty to asylum seekers is what one might call a wicked problem.

When Morrison became Treasurer, he was replaced by ex-cop Peter Dutton who turned out to be even nastier in his treatment of asylum seekers than Morrison (see Chapter 5). And weirdly for neoliberals, all this was achieved at very much greater expense than processing

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them onshore, as had been done in the not so distant past, but racism over-rode neoliberal penny-pinching.

Abbott's treatment of asylum seekers breaks several signed treaties: separating children from parents, keeping legal asylum seekers in ignorance of when their claims will be processed, the foul and dehumanising conditions in the offshore detention centres under conditions that have been damned by the UN and Amnesty International as torture. Abbott has disbanded the Immigration Health Advisory Group, the only body to give independent advice on the physical and mental health of asylum seekers. It was made illegal for any ex staff to comment on conditions in the camps or on the health of the inmates. What information did come through was shocking. However, Abbott did not oversee the worst cruelties on Nauru and Manus: that was Turnbull's privilege as we see in Chapter 5.

In order to 'stop the boats' the government had to make coming by boat (but not by plane) as nasty as the nastiness from which asylum seekers were fleeing. When boats of hopeful disbelievers in Australia's nastiness kept coming, Abbott and Scott Morrison resorted to extraordinarily silly expediences: buying Indonesian fishing boats in Indonesia so that none would be available to come to Australia; towing the people-smuggling boats back into Indonesian waters; packing asylum seekers into lifeboats and sending them back to Indonesia. All violated Indonesian territory and relations with our most important neighbor had been seriously damaged. Stopping the boats had Abbott praising Sri Lanka's murderous regime, presenting President Mahinda Rajapaksa with two patrol boats in order to help stop any Sri Lankan asylum seekers leaving for Australia. Such tactics severely undermined Australia's international reputation as a humane country.

Abbott's worst as a world neighbour was on climate change. Australia was and still is per capita the largest carbon emitting country in the world. We are obliged to do our global bit. Not according to Abbott. As we have seen, on gaining government in September 2013, Abbott's first priority was to repeal carbon pricing, debasing the issue from one about global climate change to one about electricity bills. He accused the Warsaw global summit on climate change, of 'socialism masquerading as environmentalism'. Australia virtually sabotaged the summit, doing much damage to Australia's international image.

Abbott's international image was not enhanced on John Oliver's *Last Week Tonight* show on Abbott's first visit to the US as Australian PM.³³

Takes over industry and commerce.

In fascist countries the state owns or otherwise controls industry and the means of production. This is not so in Australia but rather the other way around: corporate power owns the government. The results for us ordinary folk however are much the same.

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In Australia, company tax rate is 30 percent but few pay that. The average rate is 22 per cent for companies, but Westfield paid 8 per cent in 2013, and through a loophole, Apple, Google, Chevron and many others pay virtually no tax at all despite enormous profits made in Australia. Labor tried to fix that but the Abbott government dumped the Labor initiative.

The mining tax on 2011 rates would now be yielding about \$60 billion pa but after a ferocious campaign by both mining corporations and the Liberal Opposition, PM Gillard watered it down so much it yielded nothing in the first year although it would have raised around \$3.8 billion over four years. Finance Minister Matthias Cormann wanted to abolish it altogether, claiming through a convoluted flow-on argument that it would *save* \$13.8 billion. Believe that if you can. The diesel fuel rebate cost the government \$5.4 billion in 2012-13, which was 'fair', Murdoch's *Australian* said (10 May, 2014).

As for the environment, Abbott's intentions were that the Great Barrier Reef be a dumping ground for the foreign owned (and thus nontaxpaying) Carmichael mine, World Heritage nominations dropped, marine parks around Australia scrapped, the 'greatly endangered' listing of the Murray-Darling Basin removed, the Tasmanian Forestry Agreement ripped up. All environmental assessments for development projects were to be handed to the states, who want the royalties from development whatever the environmental cost, as in Queensland, NSW, West Australia and Tasmania. So much for intentions: only some of this has come to pass post-Abbott as discussed at various points later.

Proposes to establish through violence a new ultra-nationalistic order.

Fascist governments take the country in a radical new direction. Abbott himself is ultra-nationalistic – but to which country, Britain or Australia? – and pre-election Abbott had promised no surprises, steady as she goes. Yet post-election we were taken in what many thought was indeed a radical new direction, in flat contradiction to many of Abbott's electoral promises.

However he has never at any stage proposed overthrowing the established order to set up a new system. This is an extreme definition of fascism which fits Mussolini's Italy and Hitler's Germany, possibly Trump's America, but fortunately did not fit Abbott's Australia.

So was the Abbott Government fascist?

When an earlier version of this chapter appeared on *Tasmanian Times* in June 2014, soon after that ill-judged 2014 budget, it attracted an unusually large number of comments (147). Some agreed that the Abbott government showed many signs of fascism, others that there were some signs but calling it 'fascist' was going too far. Others wrote that I wouldn't have been able to publish the article if Australia was really fascist. Point taken.

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Hard line neoliberalism, which is largely but not only what the Abbott Government was about, certainly has many of the characteristics of fascism.³⁴ But in the end the most telling characteristic of Abbott's term as PM was in the 'captain's calls' Abbott made, which were simply bizarre: his parental leave scheme, the knighting of Prince Philip, appointing the grossly partisan Bronwyn Bishop as Speaker of the House, ordering his ministers to boycott ABC's Q&A, the list is mind boggling. Evan Williams' *Australian Leader Eats Raw Onion Whole* (Black Inc., 2015) contains headlines inspired by Abbott's actions and some of his quotations, including the plain balmy 'loggers are the ultimate conservationists'. If anything, all these and more give an emerging picture of a dysfunctional personality.

The cover of Niki Savva's book *The Road to Ruin*³⁵ says it all. The subtitle: 'How Tony Abbott and Peta Credlin destroyed their own government', and a revealing assessment on the cover by Laurie Oakes: '... the weirder-than-weird story of a duo who couldn't govern to save themselves.' And on the back cover: 'Abbott ignored all the warnings, from beginning to end – the public ones, the private ones, from his friends, his colleagues, the media.'

Abbott on the backbench

When Abbott lost the leadership to Turnbull, he said:

My pledge today is to make this change as easy as I can. I've never leaked or backgrounded against anyone. And I certainly won't start now. This is a tough day, but when you join the game, you accept the rules. Being the Prime Minister is not an end in itself; it's about the people you serve.

An admirable statesmanlike reaction. As it turned out he couldn't have meant a word of it. He skirmished, with that familiar leer, making statements on issues that backbenchers don't make but that wannabe-again PMs do. He lectured the British conservatives and Europe in general on how to manage their refugee problem – simple, make things worse for them than if they had remained in their own country. He assured his British audience he would be returning as PM of Australia.

He tried to undermine Turnbull's authority wherever he could, backed by a small cadre of extreme right Coalition members, including Eric Abetz, George Christensen, Craig ('renewable energy will kill people this winter') Kelly and others.

After 2017 Budget, Abbott charged the Coalition of being 'Labor-lite', warning that it risks a 'drift to defeat'. 'Why not say to the people of Australia: we'll cut the (Renewable Energy Target), to help with your power bills; we'll cut immigration, to make housing more affordable; we'll scrap the Human Rights Commission, to stop official bullying; we'll stop all new spending, to end ripping off our grandkids; and we'll reform the Senate to have government, not gridlock.' A singularly unpalatable list of *non sequiturs*.

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He accused the Government of losing direction and it needed his help to deal with the Senate crossbench. Abbott hardly got a thing through Senate precisely because he couldn't or wouldn't negotiate with the cross bench.

Abbott was in younger days strongly influenced by Bob Santamaria. Santamaria was originally a major force in the Labor Party but with his strong Catholicism saw it as too soft on Communism and formed the Democratic Labor Party, which split Labor and kept it out of power for 20 odd years. That sort of rigid Catholic dogmatism was the way Abbott worked and although he denied it, his policies were founded on a bedrock of hard Catholicism. A group of hard right Coalition politicians are also strong Catholics, including Barnaby Joyce, Kevin Andrews, Andre Robb, Joe Hockey and others. Just how these and other self-professed Christians like Scott Morrison and Eric Abetz can push policies that are diametrically opposed to Christ's teachings is another of those mystifying flights of unreason. Their 'Christianity' is manifested in their unique twist to the Magnificat: 'We have filled the rich with good things and the hungry we have sent empty away'. No doubt they sing the original version on Sundays.

However Abbott may rationalise that inconsistency, his behaviour post the leadership spill has been by any standards irrational, nasty and likely to bring about the very thing he should most deplore: a Shorten Government. Accordingly he is regarded as a damned nuisance by many of his Liberal colleagues. He is showing no self-awareness or awareness of political reality. His speech to a group of climate deniers in London in October 2017 was plain crazy. He declared that climate change was a Green inspired fraud because more than 100 years of photography at Manly Beach in his electorate did not show a rise in sea level; that bushfires are not worse, droughts are not deeper or longer, and cyclones are not more severe than they were in the 1800s. 'It's climate change policy that's doing harm; climate change itself is probably doing good; or at least, more good than harm.' But – a bet another way – if however the climate is warming, then

as far more people die in cold snaps than in heatwaves, so a gradual lift in global temperatures, especially if it's accompanied by more prosperity and more capacity to adapt to change, might even be beneficial.

After Turnbull's benchmark for topping Abbott passed, 30 negative Newspolls, Abbott publicly wondered why Turnbull's benchmark applied to Abbott and not to himself. In a flurry of nonsequiturs Abbott is leading a group calling themselves the Monash Forum, to the anger of the descendants of Sir John Monash, comprising far right climate deniers such as Eric Abetz, Craig Kelly, Kevin Andrews, Barnaby Joyce and others, all of whom have a deep grudge against Turnbull. At the time of writing Abbott is riding his bike around the Latrobe Valley campaigning for a government built new coal-fired power station, knowing full well that that is contrary his government's energy policy. The only certain effect of this

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silliness is to split the Coalition and thus to keep it out of power for the foreseeable future. In other words, Abbott and his backers would rather cripple the Liberal Party than compromise their extreme minority views, and at the same time pull Turnbull from his prime ministerial perch.

As Peter van Onselen wrote in the *Australian*:

Team Abbott has two aims. The first is to wound Turnbull as regularly and substantially as possible. The second is to assume control of the wreckage left behind — the Coalition (and the Liberal Party within it) — once on the opposition benches. The required precursor is a hefty election defeat. It's akin to fighting over a stripped carcass, the way vultures and hyenas may do.³⁶

Such irresponsible and ill-informed behaviour from a once Rhodes Scholar is more symptomatic of psychopathy or monumental egocentrism than of fascism.

I'm happy therefore to conclude that Tony Abbott wasn't a fascist. Rather, in his formative years he probably had spent too much time taking a battering around the head in the boxing ring.

CHAPTER 4**THE TRANSMOGRIFICATION OF MALCOLM TURNBULL****A change but no change**

Malcolm Turnbull's accession to the prime ministership on 14th September 2015 was greeted with a wave of euphoria, high expectations and profound relief. Two years of gross incompetence, mendacity, fear mongering, confrontation and inhumane policies were finally over. Turnbull would, we believed, provide a sea change in Australia's political dynamics and direction.

Turnbull asserted he would foster discussion of issues, no shouting simple minded three word slogans. As he enthused to the Brisbane Club in an encouraging nine word slogan, 'We're creative, we're innovative, and increasingly we think globally'. Parliament immediately seemed a happier workplace, and we voters were more relaxed about politics. Turnbull looked and sounded like a statesman, we felt comfortable with having such a prime minister.

But we had also felt comfortable with Kevin Rudd's first accession to the prime ministership, with his fine rhetoric and promises of a new deal. But Rudd delivered little action. Instead, he went feral, and was little sighted thereafter. It wasn't long before Turnbull too moved to the next phase in the Rudd-cycle: rhetoric but little action.

Indeed, from early on Turnbull fumbled, beginning with his appointment and disappointment of ministers. Resources Minister Ian Macfarlane tried to join the Nationals but the Nats wouldn't have him: nor would the Liberals after that. Minister of Cities Jamie Briggs was sacked for sexually harassing a young staffer on a trip to Hong Kong then gallantly posting her image to his mates. Mal Brough was forced to resign over copying the Slipper diaries, Minister Stuart Robert for using a private trip to China to negotiate a deal between a mate of his and the Chinese government. Not a good start.

As an aside, from May 2013 to September 2016, 25 state or federal parliamentarians had been forced to resign from their party or the executive following allegations of misconduct. Twenty two were from the Coalition, three from Labor, none from the Greens or Independents.³⁷

Turnbull invited a tax debate, but rather like Rudd when it came to the crunch, he was smitten with indecision. Three months to Budget time, Turnbull started copying Labor's tax policies: Labor said no to raising the GST, Turnbull followed, over-riding Treasurer Morrison who wanted to raise the GST. Labor said let's limit negative gearing to new houses only,

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Turnbull immediately followed suit but a few days later, Turnbull bellowed that Labor's negative gearing policy would 'smash' the value of the family home. From everything being on the table for tax policy Turnbull gradually ruled out all alternatives, except cutting superannuation concessions for the very rich – and that outraged his extreme right, George Christenson threatening to cross the floor over it. Turnbull proposed turning the clock back over seventy years by giving the states the right to levy income tax in order to pay for public education and for health, while private schools would continue to be lavished with federal money. The states rejected that idea in short order.

Parliament's sojourn in happy land was brief. The price Turnbull had to pay for his prime ministership was a Faustian agreement with the hard right of his party and there he has remained.

We were in for the same old nasty politics, this time wrapped in a nice smile rather than a saurian leer.

Turnbull on asylum seekers

Turnbull continued off-shore processing in Nauru and Manus Island and Abbott's policy of making conditions as bad or worse than those the refugees were fleeing from. When it emerged in the Cabinet Files fiasco in 2018 (see p.) that the Immigration Department had advised then Immigration Minister Morrison up to 700 asylum seekers 'must' be granted permanent protection under existing legislation. Morrison on the contrary asked ASIO to slow down security checks so deadlines would be missed thus preventing some 30 extra asylum seekers a week from being granted protection. It also meant that refugees about to start a new, permanent life in Australia would only be allowed to stay for three years. This was cruel, arbitrary and contrary to ethics if not to existing legislation.

On being outed on this breach, Morrison offered an irrelevant defence: 'As minister for Immigration and Border Protection, it was my policy and practice to put Australia's national security interests first.' At which Prime Minister Turnbull sang his praises: 'Scott Morrison] stopped the boats, he did an outstanding job in securing our borders.'

Yet Morrison said in his maiden speech to Parliament in 2008: 'From my faith I derive the values of loving kindness, justice and righteousness, to act with compassion and kindness, acknowledging our common humanity and to consider the welfare of others; to fight for a fair go for everyone to fulfil their human potential and to remove whatever unjust obstacles stand in their way ... These are my principles". Maybe that was for Sundays only.

In 2016 267 refugees including 80 children and their families came to Australia from Nauru for medical treatment. A High Court challenge to the legality of detention on Nauru was dismissed, at which Turnbull intoned: 'The people smugglers will not prevail over our sovereignty...We must not give one skerrick of encouragement to people smugglers.' As if

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the issue was about people smugglers not about how badly people, who are legally seeking asylum, are treated under Australia's duty of care.

In October 2016 Turnbull proposed a bill banning Nauru and Manus asylum seekers, once resettled as citizens of another country, from *ever* visiting Australia no matter the reason: family reunion, business, whatever. This was cruel, divisive, unnecessary and probably unenforceable.

In his phone conversation with Donald Trump about the deal Obama had made on resettling asylum seekers, Turnbull said: 'You can decide to take them or to not take them after vetting. You can decide to take 1,000 or 100 or none at all. It is entirely up to you.' Turnbull quite wrongly called the asylum seekers 'economic refugees', and he admitted they were Australia's responsibility: 'They have been under our supervision for over three years now and we know exactly everything about them.' But hadn't Turnbull assured UNHCR and the Australian people the conditions under which they were living were the responsibility of the governments of New Guinea and Nauru?

Turnbull was telling Trump quite a different story from that he had been telling the Australian people. During that call Trump asked a very good question: 'Why have you not let them into your society?'

Why indeed.

In April 2016 the PNG Supreme Court ruled that detention on Manus was against the PNG constitution and that the 800 asylum seekers must go. But not to Australia, Peter Dutton swore. A year later they were still there – as unwilling residents. The locals physically attacked the refugees if they went into the neighbourhood so the refugees stayed in the camp. Australia built new quarters to which the asylum seekers were ordered to move but they refused; the quarters weren't finished, were unfurnished, and worse, they were unprotected from local attacks. Turnbull and Dutton simply denied the new quarters weren't finished and that they were unsafe. The refugees stayed in the old camp for a week without food, water and electricity and then they were forcibly moved.

The United Nations human rights committee said these refugees were indeed Australia's responsibility and that Australia should close the camps immediately, taking 'all measures necessary to protect the rights of refugees and asylum seekers affected Australia could not pick and choose which laws it followed and which rights it wanted to uphold.'

Peter Dutton succeeded Morrison. He was directly responsible for what many see as crimes against humanity. One example: the Somali refugee Abyan was raped and made pregnant while imprisoned on Nauru. She came to Australia for an abortion (illegal on Nauru) but Dutton claimed she refused it and was sent back five days later still pregnant: she denied she had refused the abortion. The courts had said that refugees requiring medical treatment

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in Australia should not be returned to Manus and Nauru. An outraged Peter Dutton said this made 'passing policies difficult... this is ripping the system off.' He also complained that lawyers giving their time free to prevent the government from abusing refugees were 'un-Australian'. Dutton lied about refugees being attacked by locals, and about the vile conditions on Manus, asserting photographs and videos of squalid conditions were faked.

But at least he must have been having a good time, for he said of his job 'I enjoy it a lot.'

What sort of person does that make him? An Editorial in the *Saturday Review* (2 Sept, 2017) answered that question thus:

There is nothing to see in Dutton except the worst of what this country could be. We can only be thankful that the court he so criticises stops him from taking us there with him. He plays politics as if it were a game but there is nothing to win, only losses.

Turnbull's opinion was startlingly different:

Peter Dutton is a thoughtful and committed and compassionate immigration minister ... (he) is doing an outstanding job as immigration minister.

Turnbull on climate change

Turnbull continued Abbott's Direct Action policy on climate change, widely regarded by climate scientists as expensive and ineffective. Turnbull himself had described Direct Action in 2011 as 'bullshit'. Yet he took this bullshit policy to the 2015-6 Paris Climate Change conference praising it to the skies. Turnbull derided Labor's 2020 climate change target promising 23 per cent of energy to come from renewables as 'mad, a danger to the economy': only a few years earlier he had pushed for bipartisan action on climate change.

In February 2016 the Turnbull Government established a new Growth Centre to drive innovation, competitiveness and productivity – but across the oil, gas, coal and uranium sectors. Not a cracker for renewable energy. He is clearly not going to repeat standing up for his beliefs as he had done in 2011. That is, assuming they were then his beliefs.

In December 2016, Environment Minister Josh Frydenberg said that his department would look at an Emissions Intensity Scheme (EIS), which would allow lower carbon emitters to sell credits to higher emitters, effectively lowering the price of electricity. After yells of outrage from the right, Turnbull flatly denied that an EIS would be considered. The following day Frydenberg denied that he had even used the words 'emissions intensity' (he had – it was on record). Turnbull reiterated: EIS or any form of carbon pricing would send household electricity bills soaring.

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But the government's chief scientist, Alan Finkel, had reported positively on an EIS to the Council of Australian Governments (COAG), saying that an EIS was the most effective, greenest and cheapest option to reduce carbon emissions. He emphasised that an EIS would *lower* prices in the average household by \$215 a year, saving \$15 billion over 10 years.

Michelle Grattan commented:

... to refuse even to consider an EIS for the electricity sector – which is a long way from a broad emissions trading scheme, or a carbon tax – is abject surrender, and a major failure of Turnbull's nerve and leadership.... The bottom line is that the government's decree is absurd – a product of ideology (on the right), expediency (hey, let's score against Labor, which supports an EIS) and fear (Turnbull feeling the bounds of the not-so-gilded cage to which his party has consigned him).³⁸

Finkel was ordered to produce another report more palatable to the climate change deniers. This second report aimed to reduce emissions in the electricity sector by 28% below 2005 levels by 2030, to introduce a Clean Energy Target between 2020 to 2030, to encourage new power plants to be built including renewable energy, gas, and coal with carbon capture and storage. He had put 'clean' coal back on the table. Finkel's second report is a political document designed to be acceptable to both Labor who wants carbon pricing and the Coalition who won't have a bar of it. Perhaps Finkel should have stuck to the hard science.

In his determination to maintain coal fired power Turnbull requested AGL, the owners of the fading Liddell power station, to keep Liddell going for another 5 years. AGL refused saying it was too expensive and were repurposing it for clean energy. The industry itself was backing clean energy against coal!

Turnbull gave notice that his government would underwrite a loan of \$1 billion to wealthy Indian company Adani for infrastructure to the Carmichael coal mine, the emissions from which would yield more than Australia's total carbon emissions. But that was all right, as one Liberal politician put it, because the coal is mostly to be sold to China and India and so the resulting emissions will not affect our carbon targets. A good point – but only if each country had its own impermeable pocket of airspace.

Adani's Carmichael mine require dumping dredged sea floor within the Great Barrier Reef National Park when one third of the GBR had already been killed and the rest endangered; 12 billion litres of fresh water per annum would be taken from the Great Artesian Basin to the detriment of other users of that precious resource. Adani is noted in India for environmental vandalism and corruption.³⁹ Turnbull claimed it would produce 10,000 jobs, whereas Adani's own figure is 1,500.

In May 2017, Westpac joined other major banks in refusing to finance the Carmichael mine, to the fury of Nationals Senator Matt Canavan who said Westpac had given in to 'a few

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extremists' (who comprised a majority of the population). Fortunately Turnbull's 'loan' of \$1 billion for a rail link required the Queensland Government's approval. This was forthcoming at first but such was the public outrage, Premier Anastacia Palaszczuk withdrew it during her election campaign. In short, it seems unlikely that the mine will go ahead, thus removing a potentially disastrous threat to climate change, to the GBR and to agriculture.

The Adani affair illustrates yet again Turnbull's terrible judgment, and his weakness in giving in to his irrational right wing.

Science for the chop

The head of the CSIRO, Larry Marshall, entrepreneur and venture capitalist appointed by Abbott, announced a cut of 330 jobs from the CSIRO. 110 jobs were from the CSIRO's Oceans and Atmosphere and Land and Water divisions, which were doing research crucial to climate change monitoring. Almost 3,000 scientists from more than 60 countries roundly condemned this attack that would 'decimate' its climate change research capabilities, warning the cuts would leave the Southern Hemisphere 'with no sustainable, world-class climate modelling capability.' It was within Turnbull's power to bring Marshall back into line, even to sack him. Yet when Greg Hunt was moved from the Environment to be Minister of Science, he (not Turnbull) ordered the CSIRO to return to monitoring work on climate change, restoring \$3.7 million and 15 new jobs. But it was too late, 275 jobs were already gone, including Hobart's Dr John Church. The CSIRO's lead in climate science had been crippled.

China came to the rescue. In May 2017, a \$20 million Centre for Southern Hemisphere Oceans Research (CSHOR), a joint venture between the CSIRO and China's Qingdao National Laboratory for Marine Science and Technology, was announced. Over five years, the Chinese will stump up \$10 million and the CSIRO \$8.25 million with the University of New South Wales, where Dr Church ended up, and the University of Tasmania adding the remainder.

Larry Marshall implausibly insisted this was not a backflip.

The 2016 Double Dissolution Election

Turnbull's biggest political mistake was to call a double dissolution election on the ground that Senate had twice rejected a proposal to establish the Australian Building and Construction Commission (ABCC) in order to investigate corruption in the building industry. The election campaign was a long eight weeks, in which the ABCC itself was scarcely mentioned.

Turnbull's real aim in calling the election was to clear the Senate of independent and small party cross benchers, who had got there in the 2013 election on the basis of tricky preference trading. He should have called a normal half Senate election for, as Turnbull

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should have well known, in a double dissolution election the margin for a seat is halved to 7.5%, making it that much easier for minor parties to get elected. And they did, including four One Nation seats. The Coalition's Lower House previously comfortable majority was slashed to a very vulnerable one seat, while in the Senate Turnbull now had to win over 9 out of 11 cross benchers, including those four wild card One Nation senators.

'We have an economic plan' Turnbull kept assuring us with charm and authority, the field-marshal rallying the troops. That plan was to deliver massive tax cuts to the corporate world, up to \$60 billion over ten years. *That* would deliver jobs and growth on an unheard of scale! Neoliberal spin of course: we know that the trickle-down effect simply does not happen. What does happen is that under lower tax, companies make more profit, shareholders get a better dividend, Australian companies park their wealth in offshore tax havens as did Turnbull himself on the Cayman Islands, while the profits of the many foreign owned companies disappear overseas mostly untaxed. The lower orders get sod all.

Labor on the other hand performed better than expected, coming within a whisker of winning. Bill Shorten had campaigned on funding education and health rather than the corporate sector, and he would reduce negative gearing to bring house prices down. What is astonishing is not that Turnbull won, if only by one seat, but that he was not thoroughly smashed. Who, except a corporate player, would in their right mind vote for Turnbull's bogus 'economic plan' over Shorten's backing health and education?

Had Turnbull gone to elections quickly when he was riding high, he would have won handsomely. And had he not gone for a double dissolution but a normal half-Senate election, Hanson herself would probably have been elected but not three more One Nations senators who were to cause him big trouble. As Hanson had moved Howard's centre of gravity to the right, so she did with Turnbull's, with the further complication that with only a one vote margin, any Coalition member could hold Turnbull to ransom by threatening to cross the floor.

The Royal Commission into Banking

As they did over a royal commission into banking. For years we had been shocked by malfeasance by the big four banks, offering mortgages to borrowers who couldn't repay, offering financial advice detrimental to the customer but to the advantage of the bank, unstated charges, unfair interest rates, and much more. Labor had been requesting a Royal Commission for years but Turnbull, an ex-banker himself, steadfastly refused. Instead he invited the bank CEOs to have a cup of tea with him to sort things out. However, some of his National colleagues had constituents who had suffered severely at the hands of the banks, and insisted on a royal commission or they would cross the floor and vote with Labor and the Greens on the issue. Turnbull capitulated on 3 December 2017 only three days after having *definitely* ruling it out.

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But the banks themselves were suddenly not averse to a royal commission: a nice gentle one to clear their public image. Turnbull announced the terms of reference that explained all. Superannuation was in the remit, including not-for-profit funds that over more than 20 years had consistently outperformed the funds run by the banks. Initially there were no provisions for bank-wronged members of the public to make their submissions, which was what the whole thing was supposed to be about. The ACTU started gathering submissions, and the royal commission was forced to invite the public in. The commission had to report within a year, which is certainly not enough time to go into the thousands of cases of wrong doing by the banks, and no compensation to be offered to those who had been wronged.

The Commissioner, Kenneth Hayne QC, however, soon showed he meant business, to the banks' joint consternation. The Commonwealth Bank and others generously took fees but offered no service, staff even forging customers' signatures – even after the person had died years previously. Already the Commonwealth has paid back \$118 million to deceived customers but in June 2018 they were whacked with a \$700 million fine, the largest in corporate history.

Insurance company AMP had actually falsified over 20 reports they had to present to the watchdog Australian Securities and Investment Commission (ASIC), not that ASIC would have done anything, it having prosecuted one court case in ten years. Rather it was the public outing and outrage that forced AMP's CEO, secretary and senior lawyer to resign. The other major banks are under scrutiny at the time of writing.

The findings so far of the royal commission have been described as revealing the worst scandal yet in Australian financial institutions. Turnbull, in his reluctance to have a royal commission enquiring into 'our most trusted institutions', had been completely discredited. He and other Liberals must have known what would be likely to come out in the event of a royal commission, but capitulated only when the Nationals threatened to cross the floor over the issue. We might remind ourselves that Turnbull, a banker himself, has tax free havens in the Cayman Islands.

LBGTI and gay marriage

The Safe School curriculum was intended to minimise bullying in schools, especially of lesbian, gay and transgender students. Safe Schools was implemented under the Abbott Government, but once Turnbull was in charge his rabid right demanded the curriculum be withdrawn, some claiming Safe Schools taught students to be homosexual. Senator Eric Abetz even argued that homosexuality was a life-style choice and that homosexuals could choose to be heterosexual if they wanted to.⁴⁰ These right wingers demanded changes that would do the very thing the programme was designed to stop: focusing discrimination onto LBGTI students.

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There is a genetic component in determining homosexuality, which rather implies that disallowing a gay couple the right of marriage might well be the start of disallowing other rights to people with genetically determined factors, such as race.

Turnbull originally said that the gay marriage issue should be settled in Parliament, but his right extremists wanted a plebiscite, presumably as a delaying tactic. Turnbull not only promised a plebiscite but added that it needn't be binding, which would make it a \$160 million exercise in futility. But it didn't matter: Labor came out against any plebiscite to the delight of both the right and of the LGBTI community itself, who'd rather delay a same-sex marriage bill than undergo the harassment and bullying by bigots who had been assured by Attorney-General George Brandis that they had every right to be bigots.

In the event, the Senate twice rejected a plebiscite, so the government went to Plan B dreamt up by Peter Dutton: a voluntary postal ballot at a cost of \$122 million, making this a cheaper exercise in futility than the plebiscite. The turnout for the last postal vote was 55%, the right no doubt hoping that it would be less for this vote. This turned out to be spectacularly wrong: the turnout was just off 80 per cent, and of this the yes vote was nearly 62 per cent.

Turnbull had the gall to claim that his promise of a plebiscite had been kept by holding the postal vote, which is not a plebiscite. In a press conference he said with his staged gravitas: 'Strong leaders carry out their promises. Weak leaders break them. I'm a strong leader.' At which Michelle Grattan commented: 'It was an unconvincing "Me Tarzan" moment.'⁴¹

The government had given the impression to be giving the voters a voice, while equally determined not to be bound by what the voters told them. This same strategy was repeated in the aboriginal community's 'Uluru statement from the Heart': Turnbull sought aboriginal opinion then ignored it (see below).

However this time the postal vote result was so strong there was no question that the same sex marriage bill would be presented to Parliament, albeit with determined efforts by the right to weaken it with amendments to allow all kinds of dissent on religious grounds. The bill passed overwhelmingly, with four 'nos' and nine abstentions. The announcement of the result set off an extraordinary scene of cheering and clapping. Turnbull with much strutting and crowing claimed the result as a major victory, as if it was all his doing. But hadn't he thrown up the right-driven obstacles of a plebiscite and a postal vote? He hadn't even campaigned for a yes vote, although he had always claimed to be in favour.

Labor had long argued that the same sex marriage should be settled by a vote in Parliament. Shorten rightly said that the postal vote was a ridiculous waste of time and taxpayers' money, and that Turnbull would be 'responsible for every bit of the filth that debate will unleash'. The postal vote did stir up gay hate and suffering to children of gay couples as

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Shorten and many others had predicted it would. The yes vote finally succeeded but no thanks to Turnbull's weak leadership.

All Turnbull can claim on same sex marriage is that he happened to be PM at the time. And that is all he can claim. If he had shown leadership on the issue it would have passed parliament months earlier with little of the nastiness that had been flung from the extremes on both sides.

Problems with the Attorney-General

Turnbull had previously emphasised the important principle that public servants should feel confident on request to offer expert independent advice to government. With respect to legal aspects of governance, this was the job of Solicitor-General Justin Gleeson. Any politician from the PM down had the right to consult Gleeson on legal issues pertaining to upcoming legislation.

However, A-G George Brandis hadn't liked Gleeson's previous advice on several issues, including asylum seeker policy, anti-terror legislation, the debate on same-sex marriage, and most importantly Gleeson had advised the Australian Tax Office to sue for \$300 million tax due from Alan Bond's Bell group. The ATO sued and won. But Brandis had it seemed promised that \$300 million to the Western Australian Government, a promise he couldn't now keep. He needed to muzzle the troublesome Solicitor-General.

Accordingly, Brandis ruled that he himself had to personally approve any request for independent advice from the Solicitor-General. The Solicitor-General no longer had an independent advisory role but a political one. Given Turnbull's previous statements about the independence of the public service, he should have over-ruled Brandis. Instead, there was a Senate Committee in which the Coalition attack dogs were let loose on the outraged Gleeson. He resigned as his role was now politicised and he himself had been deeply insulted. Lawyers' Alliance Australia, representing 200,000 lawyers across Australia, called upon Brandis to resign for this gross breach of principle but of course he didn't, nor was he required to.

In late 2017, Brandis was appointed Australia's High Commissioner to the UK. His replacement is Christian Porter whose finer feelings about justice were displayed in his role as Social Services Minister in the Centrelink fiasco.

The Centrelink fiasco

In a desperate attempt to get at least some money bills through Parliament after the 2014 budget debacle, PM Abbott had proposed the Omnibus Budget Bill, a ragbag of financial issues that Abbott claimed must *all* get through both houses, otherwise Australia would be in deep financial trouble. After some minor amendments it passed the Lower House with

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Labor's ill-judged support on the 14th September 2016 – the same day that Turnbull toppled Abbott – and passed in the Senate a day later. It was calculated to save \$6.3 billion.

This messy bill allowed Centrelink to haul back what were reckoned to be overpayments to its clients. If the overpayments were genuine then fair enough one might think. But they weren't. They were calculated by merging Australian Tax Office data on income with the Centrelink databank. The names on each databank sometimes did not match; worse, the ATO figures were produced by averaging a person's income over a year so that if that person was unemployed for 6 months and earning for the other 6, the average would show that person as having an 'income' while receiving Centrelink payments, which is illegal. But for those 6 months of unemployment that person was *legally* receiving Centrelink payments. Many hundreds of thousands of letters were sent out demanding those 'overpayments' be repaid – on letterhead bearing the Australian Federal Police logo, thus giving the impression the recipients were regarded as criminals. That did indeed scare the hell out of many, who were poor, unemployed, part time workers or students.

The Australia Council of Social Services said that more than 200,000 people had been affected by this campaign and around 20 per cent of the notices were incorrect. People had 21 days to challenge the assessment. Thousands tried, but emails went unanswered and phones went on ringing day after day until the poor bewildered 'clients' gave up. If they went to a Centrelink office, staff were instructed not to help them personally, but to direct them to a computer terminal for them to sort it out for themselves, even the old and the computer illiterate. Many paid up, even those who were wrongly accused, rather than pursue what was a stressful and hopeless business. The Government admitted that 20 per cent of letters were incorrect but that was considered to be a reasonable margin of error.

Social Services Minister Christian Porter said that the system had worked 'incredibly well'; Human Services Minister Alan Tudge adding that as the Government had received back \$300 million so far, this 'proved' that the system was working. Tudge evidently thought the sole purpose of this unsavoury exercise was to raise revenue and if it did that, whatever the injustice and human pain it caused, it was a success.

A year later, Andrew Wilkie revealed that things were even worse. He said that some people were being served double or triple debts because the name of their employer was recorder slightly differently. 'They are hit with debts in the tens of thousands of dollars with basically no explanation and sometimes as little as a few weeks to pay up.'⁴² The withers of the Department of Human Services were unwrung. As a spokesperson said, 'The online system accurately calculates debts ... people are given ample opportunity to explain their circumstances prior to determining whether there is a debt.'⁴³ Of course, it's the victim's fault.

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At the same time as the Centrelink poor were being bullied and fleeced, Health Minister Sussan Ley was caught notching up \$65,000 odd in travel expenses to conduct private business. She apologised and paid it back, which made it all right in her and many politician's eyes. But soon after Ley's escapade, questionable travel and other expenses were dug up for politicians on both sides, the greater number from the Coalition including seven members of Cabinet. The independent panel set up to inquire into Bronwyn Bishop's gouging of the taxpayer had made 36 recommendations that Finance Minister Corman said the Government supported. None had been implemented.

So here is the picture. On the one hand the Government was screwing the poor and most vulnerable in society, including many who had done no wrong but were accused and punished as if they had; on the other hand, many senior Government members themselves were snatching what public funds they could in dodgy travel and other claims.

Politicians pillaging the public purse while bullying the Centrelink poor will leave a sour taste in the mouths of voters. One earnestly hopes their mouths will guide their pencil hands come the next election.

And if that is what the Attorney-General, the inappropriately named Christian Porter, thinks is justice, Australians are in for some interesting times.

The end of the 2016 Parliamentary year

The final couple of weeks of Parliamentary sittings in 2016 were a shambles. The Government with a negligible scorecard to date simply had to pass something to retain any credibility. On the table were the backpackers' tax, and the Australian Building and Construction Commission (ABCC) bill neither of which Abbott had been able to get through the Senate.

The proposed backpackers' tax of 32.5 per cent was a hangover from Joe Hockey's 2014 budget, representing a half-billion dollar budget saving. This tax was far higher than taxes set by New Zealand and Canada – yet backpackers are essential for harvesting fruit in the height of the picking season. Rural industries were incandescent. They could see their fruit rotting on the ground.

Under intense pressure the Government agreed to 19 per cent – and that was final. Except that it wasn't. Senator Lambie and Labor went for the New Zealand figure of 10.5 per cent. No way said the Government. Senator Hanson suggested 15 per cent, which the Government finally accepted but it didn't pass the Senate, which meant that the tax reverted to the original 32.5 per cent. With only a day or so before Parliament closed, fruit growers became ever more frantic. In the last hour of sitting, the Greens amended the bill in Senate to 15 per cent, which passed and everyone relaxed. However to get it through Greens Senator Richard di Natale had traded \$100 million for Landcare, which assists

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farmers, and 65 per cent of backers' super were to be paid back to the Government instead of the previous 95 per cent. As Bill Shorten chortled, that cost the government more than if they had accepted the 10.5 per cent that Labor and Lambie had proposed. The backpackers' tax saga showed the government completely out of touch with the reality of the fruit industry, not to say scandalously incompetent.

But the big one for the Government, because they had called a double dissolution on the strength of it, was to re-establish the Australian Building and Construction Commission. When the ABCC debate came up in October, the Bill went through the Lower House but the cross benchers in the Senate played hard ball, gaining amendments that radically diluted the ABCC act, to the horror of the construction industry. So that too ended up as a fizzer.

As Ben Eltham put it:

Any way you look at it, this means that the government's signature legislative achievements of the final sitting of Parliament are two relatively minor bills, neither of which affect the majority of ordinary Australians.⁴⁴

Fruit farmers might disagree with the 'relatively minor' bit, but the point was well made.

More woes for the Coalition

Far right Senator Cory Bernardi after only a few months after his election as a Liberal formed his Australian Conservative Party, to the outrage of senior Liberals. Will the Turnbull Government move further right to save more haemorrhaging, or without Bernardi will the balance move towards the centre? Only time and National MP George Christensen can tell – for George has on more than one occasion threatened to cross the floor if Turnbull doesn't do what George wants.

To paraphrase Edgar J Hoover, Turnbull has Cory outside the tent pissing in and George inside the tent pissing in. Either unpleasant stream could be disastrous for the Liberal Party.

With Bernardi's defection, the travel rorts, Trump's contemptuous treatment of Turnbull, Abbott's constant sniping, Turnbull's craven submission to the hard right, by mid-February 2017 Turnbull was desperate to salvage some authority. This he tried to do with a spectacular and deeply personal attack on Bill Shorten: 'a simpering sycophant, blowing hard in the House of Representatives, sucking hard in the living rooms of Melbourne ... his knees tucked under the billionaires' tables, what a hypocrite...' That grotesque boys' own locker room imagery – 'sucking hard ... on his knees' – was debasing Parliamentary dialogue much more than Tony Abbott's ranting. So much for Turnbull's promise to lift the tone of Parliament, have genuine meaningful debates, and no more name calling. He had entered the Ruddian feral stage.

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While this playground attempt to show his authority might have delighted his parliamentary colleagues – Barnaby Joyce nearly fell off his seat with hysterical laughter – it must surely be a nail in his coffin with the public. People hate this sort of thing, and it showed. The two-party preferred poll put the Coalition at 46% to Labor's 54%.

And to round off a horrendous week for Turnbull, the financial figures revealed that the previous quarter had shown negative economic growth – only the fourth time since 1991 that that had happened. But Labor's handling of the GFC 8 years previously was to blame for that: this alternative fact was front page news in the *Australian* (9 December, 2016).

The 2017 Budget

This 2017 Budget had to do several incompatible things: bury the spirit of the 2014 budget but without the extreme right in the Coalition getting stroppy; make Turnbull popular again or he'd be a dead duck; and defuse the weapons in Labor's armoury. Turnbull and Morrison did what Tony Blair did with his New Labor: mix the oil of neoliberalism with the water of socialism. We might call this New Neoliberal, but in the event it turned out more like Old Neoliberal.

Labor wounded the Coalition almost mortally in the 2016 election with their education and health policies. Turnbull's first salvo was to launch Gonski 2.0 with David Gonski himself, who happened to be a friend of Turnbull's, standing on the same platform as Turnbull and Morrison. Like Labor's version, in Gonski 2.0 every student receives the same amount of funding with extra top-ups for those who need more help. All but 251 of the nation's 9,400 schools will have their funding grow by at least 2.5 per cent, and Commonwealth funding will grow from \$17.5 billion in 2017 to \$22.1 billion by 2021.

Labor was outraged, alleging that Turnbull was cutting \$22 billion from school funding. What that meant was that had Labor won the last election, they would have paid \$22 billion more than the Coalition. But as Labor didn't win, the Coalition intends to spend \$22.1 billion by 2021, which is rather more than is currently spent. The Coalition even did what Labor under Gillard didn't dare to do: reduce funding of 24 very rich schools, many of them Catholic, to help pay for the extra funding for Government schools. 353 schools will be worse off than they would otherwise have been, but over 4,000 schools will be better off, especially those in disadvantaged areas.

As for health, Labor's 'Mediscare' campaign in the last election probably nourished the belief that the Liberals intended to scrap Medicare and move to a US style scheme. To defuse that, the Medicare rebate was increased by 50c. with solemn commitments by Turnbull that Medicare was safe.

The National Disability Insurance Scheme (NDIS), another powerful weapon of Labor's, was funded by Turnbull by adding .5% to the Medicare levy and withdrawing the 2 per cent

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deficit levy from high salary earners. This gave top earners an effective tax cut of 1.5 per cent by 2019, whereas taxpayers on less than \$180,000 would start paying an extra half a percentage point on all their income. In effect, the NDIS would be paid for by an overall tax increase. Again Turnbull had encroached on Labor's territory.

So far, the Budget seemed to remove the smelly albatross of Abbott's 2014 Budget. But not quitter. Universities were hit with an 'efficiency dividend', which is a sneaky way of referring to a cut, amounting to \$500-600 million to the sector. All up, the tertiary sector lost about \$3 billion; student faced an increase of fees by 7.5% phased in over four years, and time for repaying the now larger debt brought forward from earning \$55,000 pa to \$42,000. These proposals came into effect in 2018.

Welfare recipients were to be randomly tested for drug use and if tested positive, their benefit changes from cash to a food card, but this proposal was dropped under severe pressure. The ABC and SBS were facing cuts; foreign aid reduced to the lowest of any Western country, Indigenous Affairs also faced cuts. Climate change was addressed negatively by scrapping the National Climate Change Adaptation Research Facility.

Negative gearing and capital gains tax were hardly touched, but that is unsurprising when so many Coalition politicians own investment properties. While 64 per cent of all MPs own more than one property, as opposed to the national average of less than 20 per cent, Coalition members own a staggering 315 between them, one National MP owning 33 different properties. Figures for Labor and other members were much lower. Changing negative gearing on investment properties might well release more housing for the general public at lower prices, but it would play hell with the investments of many Coalition politicians.

The hardest hit of all in this Budget were the young, who will suffer most from the effects of climate change; university fees were even more out of reach for those from a low SES background; unemployed youth faced harsher cuts; and most have no hope of buying a first home, or in Hobart of even renting. Young graduates after graduation will quickly earn up to \$42,000 pa (given the average salary is \$80,000) and then they face paying off their HECS debt, and with ordinary living expenses, home ownership is pie in the sky. The cut on penalty rates hit the lower paid harder, women especially being losers for they are disproportionately represented in these groups.

Shorten in his reply to the budget did a surgical job in pointing out the lack of 'fairness' in the so-called populist Turnbull Budget. If it was intended to redeem Turnbull's standing the polls it failed: the two-party preferred vote remained stuck at around Coalition 46%, Labor 54%.

Inequality or safety from terrorism?

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After the Budget, Shorten geared up a notch from accusing the Government of ‘unfairness’ to the harsher charge of fostering ‘inequality’: inequality between rich and poor, inequality in wages growth, middle and lower class wages having flat lined for years while those of CEOs and the like have soared, inequality in home ownership, inequality between indigenous and nonindigenous. All this was dismissed by Scott Morrison as ‘a lie’, but the statistics strongly support Shorten’s case. A 2017 Oxfam report shows that Australia’s richest 1 per cent owned 23 per cent of the nation’s wealth, which is more than that owned by the poorest 70 per cent combined. In 2008, there were 14 billionaires in Australia, 33 in 2017, 8 more than in 2016.⁴⁵

Turnbull couldn’t win that argument so with a bizarre front page appearance, flanked by camouflaged special operations troops in gas masks and porting machine guns like something out of *The Predator Returns*, he solemnly attempted to scare the wits out of us. But never fear. He announced his super-duper counter-terrorism Department of Home Affairs, merging the Australian Federal Police, ASIO, the Australian Border Force, and the Australian Criminal Intelligence Commission all under one Minister. None of the agencies involved had asked for this. When Abbott had previously mooted such a Home Affairs department, he was advised not to go ahead. The fact that the new uber-Minister is the nasty, mendacious bully, Peter Dutton, makes it even worse. The outgoing Human Rights Commission president, Gillian Triggs, said that the creation of a new super ministry of home affairs was part of a hastening trend towards centralised and unchallengeable government power, and was a ‘very serious incursion into the separation of powers, the power of the judiciary to make independent judgments.’

Shorten was ‘very concerned that these proposals aren’t being pushed by our security agencies, they’re being pushed by Peter Dutton as the price of him continuing to support Malcolm Turnbull in his job. I’d like to be convinced this is about national security, not Malcolm Turnbull’s job security.’

Andrew Wilkie, Independent Member for Denison and an expert in military intelligence having been a senior officer in the Office of Assessments, went further:

Surely this is one of the most nonsensical and alarming ideas to come out of Canberra in recent years ... it’s more about keeping Mr Turnbull’s leadership safe amid threats from his party’s hard-line Right faction than it is to do with keeping Australia safe.⁴⁶

In January 2018 Turnbull announced a \$3.8 billion fund to enable arms manufacturers in Australia to export weaponry, thus placing Australia in the world’s top ten supplier of arms.

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Alongside the implications of subsuming Immigration under Home Affairs, our bid into expanding our role as an international gun runner does not make Australia appear as a good world citizen.

A strange discovery

In February 2018, two locked filing cabinets were said to have been sold off in a government disposals shop, going cheap. They were forced open by the unknown lucky buyer to find hundreds of files of top secret cabinet papers over five successive governments, referred to as the Cabinet Files. On inspecting them, he realized their importance and contacted the ABC who, like the buyer, thought it was in the public interest to publish some of them, which appeared on the ABC website. Anything to do with national security was excluded.

ASIO brought special safes in to secure them in the ABC buildings, top level ABC staff having the keys.⁴⁷ After one day at the ABC, the Prime Minister's Office, from which they originally came, claimed them. How the documents were obtained is as strange a story as any.⁴⁸

In the papers there were suggestions Rudd had been warned of safety issues with the home insulation scheme at which Rudd promptly sued the ABC saying it was 'lies' as the warnings were not about safety. Tony Abbott was mentioned for handing supposedly cabinet-in-confidence papers to the Royal Commission into Rudd's handling of the home insulation project (ironically this information cleared Rudd from the allegations about safety). Scott Morrison was found to have slowed the processing of refugees' security checks. No doubt there are more stories to come.

The Cabinet Files publication came when Federal Parliament was about to debate a highly controversial new espionage law that would *inter alia* make it an offence to handle confidential information. Thus, if a federal police officer or public servant wanted to speak to a journalist about possible corrupt behaviour, the very act of them speaking to a journalist could make them, and the journalist, liable for up to 20 years' jail. This could criminalise some forms of investigative journalism as early as the research phase.

The legislation also requires not-for-profit 'political campaigner' groups like GetUp! to obtain a statutory declaration from donors who give more than \$250 a year, confirming they are an 'allowable donor'. Donors who give as little as \$4.80 a week will be required to have a Justice of the Peace or a police officer witness their paperwork. GetUp! Director Paul Oosting said:

This bill serves the interests of the Turnbull government, and no one else. It doesn't stop the likes of Gina Rinehart or the Adani Corporation from cutting huge cheques to their favourite politicians, but it forces everyday people to jump through absurd hoops just to have their say in our democracy.

Had the bill been passed before the Cabinet Files emerged the buyer of the cabinet – even if he hadn't opened the files – and several ABC staff could have got 20 years in gaol.

Still another fiasco: Citizenship this time

Section 44 of the Australian Constitution says that any person who breaches a number of provisions shall be incapable of being chosen or of sitting as a senator or as a member of the House of Representatives. The most important provision affecting the Australian government emerged in mid-2017 when Greens Senator Scott Ludlum, closely followed by fellow Green Senator Larissa Waters, decided that the provision: 'any acknowledgement of allegiance, obedience, or adherence to a foreign power, or is a subject or a citizen or entitled to the rights or privileges of a subject or a citizen of a foreign power' applied to them: Ludlum had been born in New Zealand and Waters in Canada making them eligible for New Zealand and Canadian citizenship respectively. No matter that Larissa was a couple of months old at the time and that the provision of citizen by birth had been repealed by Canada months after that, they both decided they had better resign and let the High Court decide their eligibility for parliament.

Turnbull was delighted, chortling at the 'extraordinary negligence' of the Greens. It is incumbent on all parliamentarians to have renounced any possibility of citizenship of another country and have all the paperwork done and dusted by the time they are nominated for election. Turnbull's was a chortle too soon. Matt Canavan thought he might be Italian, he too was referred to the High Court but he only resigned from the front bench, not from Parliament itself. Canavan was later cleared by the High Court.

Enquiries from the Fairfax media led a staffer of Penny Wong to ask a NZ Labour member what the New Zealand rules of citizenship were. No names, no pack drill. Having a New Zealand parent was sufficient was the reply. And who had a New Zealand parent? None other than Deputy PM Barnaby Joyce. The Coalition accused Labor of 'treason', Julie Bishop asserting that as Foreign Minister 'I would find it very difficult to build trust with members of a political party that had been used by the Australian Labor Party to seek to undermine the Australian Government.' The fault of course is not with the Australian or the New Zealand Labor Partiers but Joyce's sloppiness in not checking his eligibility before putting himself forward as a candidate for election. Unlike Canavan he didn't even step down from his portfolios, still less resign from Parliament. Turnbull announced authoritatively to Parliament that Barnaby was *not* a dual citizen, 'And the High Court shall so decide!' But the High Court didn't so decide and Joyce had to renounce his foreign citizenship and go to election, which he won handsomely.

Meantime Nationals Minister Fiona Nash came out as a dual British citizen, One Nation's Malcolm Roberts was born in India and had British parents, Liberal John Alexander was found to be British. The Turnbull government for a brief while was in minority.

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Shorten's turn for a chortle was at the slackness of these other parties. He gave a 'rolled gold' guarantee that Labor's procedures had been watertight. All Labor MPs were clean. Were they? Labor's David Feeney had renounced UK citizenship but 'had lost his papers': he resigned just before he was due to appear before the High Court. Three Labor MPs, Susan Lamb, Justine Keay and Josh Wilson, resigned from federal parliament over their dual citizenship. In all 5 by-elections needed to be held and to rub salt into the wound, Turnbull delayed for as long as he could to call by-election day, leaving Labor 3 down, and the day called, July 28, 2018, had already been established for Labor's National Conference. Tough luck Labor.

The whole business had fallen into nasty party politics, with each major party threatening to refer members of the other party to the High Court. The only sensible way out of this terrible mess which might affect present and future parliamentarians was a bipartisan move to systematically check all members of both houses. Neither party was willing to do that. Parliament had taken a ridiculously drawn-out case by case approach in a state of party warfare. It is plague on all sides, except the Greens who did the honest thing in the first place.

And there the matter rests for time being.

The 2018 Budget

The 2018 Budget was the 2014 horror budget with a prettified disguise in the form of tax cuts for lower and middle wage earners, spread over seven years. Built in however was flattening the tax rate so that as Treasurer Morrison said, '94 per cent of Australians taxpayers will pay no more than 32.5 cents in the dollar', compared to 63 per cent if the current system is left unchanged. The substantial majority of savings from the tax cuts will of course go to higher income earners.

Thus someone on \$40,400 pa would be paying the same tax rate as someone on \$200,000 pa. In seven years, those on \$40,000 pa will get a tax cut of \$455 pa but someone earning \$200,000 would get \$7,225 pa. Morrison sees that as 'fair' because rich people pay more tax! This trashes the time-honoured progressive taxation such that those with larger incomes pay a relatively bigger proportion of tax.

Also built in was 'a speed limit on taxes' requiring that taxes do not grow beyond 23.9 per cent of GDP. One effect of this arbitrary figure is that if tax avoiders and large companies, who Morrison says he is 'after', start paying tax, there must be tax cuts elsewhere so his speed limit of 23.9% of GDP is not exceeded. This means in turn that health, welfare and education spending is hobbled. How this fiscal strategy supports 'stronger economic growth' is not explained.

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The core policy of giving big business \$60 billions' worth of tax cuts, including about \$30 million to the major banks shown so recently to have been fleecing the public blind, still remained. The Government is determined to put this bill through, despite severe opposition from Labor, the Greens, crossbenchers and the public who are outraged that the pronen corrupt banking sector should receive such a bonanza,

The rest of the budget is all about cuts: 1,280 more jobs cut from the Department of Human Services, when short staffing already means that 55 million calls from desperate people trying to contact Centrelink go unanswered. For the really poor there is nothing: Newstart stays at \$40 a day, which hasn't changed in real terms for over 20 years. People can't live on that. The ABC is due for another cut of \$87.3 million from the ABC on top of Abbott's cut of \$254 million in 2014. The managing director of the ABC, Michelle Guthrie, said that the ABC has been slashed to the point where the obligations built into its Charter cannot be met – which, because ABC is the only independent public reporting on the affairs of government, is no doubt precisely what the Coalition intended. Then there is the \$2.2 billion cut to the tertiary sector.

And spending? Yes, \$500million plus for a war memorial in France, \$49 million for Captain Cook memorial at Botany Bay, and \$30 million to Foxtel for no evident reason at all. Not to mention the \$444 million Turnbull gave In January to the Great Barrier Reef Foundation to help save the Reef. Sounds good, like winning the lotto as one Foundation staff member said, but the Foundation is governed by senior members of the fossil fuel industry and climate change deniers. The appropriate recipients would have been the Australian Marine Conservation Society and the CSIRO who of which are already equipped for this kind of work.

Turnbull's quality of judgement

Although he ended surprisingly upbeat by the end of 2017, for the most part Turnbull's term as prime minister has been one of chaos. Not all of it was his fault. Abbott's sniping was part due to Abbott's personal spite and part because Abbott was encouraged by the far right. But had Turnbull asserted his leadership right from the start, Abbott and his allies might well have been put back in their box, and Turnbull would certainly have gained public admiration for such a stand. He might even have been able to pass the policies that we had been led to believe he wanted to pass – assuming he really did want to pass them.

The citizenship mess was not Turnbull's doing but his handling of it once it had started was maladroit and noisy. No doubt being reduced to a majority of one had panicked him into out-Abbotting Abbott in his shrill personal attacks on Shorten, turning what should have been a bipartisan approach to a common problem into vicious point scoring.

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Turnbull's lack of political experience and his at times atrocious political judgement, however, must be held responsible for the most of the chaos. Following are some of these instances of poor judgement: his tax policies, first to emulate Labor's but then to mount a whole election campaign on massive tax cuts for the rich and the corporate sector; his contradictory, callous and mendacious approach to asylum seeker policy; his sycophantic dealings with the psychopathic Trump; his destructive approach to combatting climate change; his backing the unwanted Adani mine; his calling a double dissolution election when he needn't have; the Centrelink cruelties on the disadvantaged; and his deferring to and promoting the deeply unpopular Peter Dutton and his inhumane policies.

One embarrassingly public example of Turnbull's poor judgement was in the ABC Q&A programme on December 2017 in which he was the sole guest. His reaction to questioners with a different view to his own was condescending and down-putting. Aboriginal lawyer Teela Reid asked him why he didn't even consider the 'Uluru Statement from the Heart', prepared by aboriginal representatives at the Government's request. Turnbull replied that he wouldn't consider a third chamber to Parliament, which was not what aborigines were asking for at all, they only requested an advisory body. Turnbull went on to say that the aborigines in any case had representatives in parliamentarians Ken Wyatt and Linda Burney, and they could speak for aborigines. Reid pointed out that these people were elected to represent their electorates, not aboriginals. Such twisting of the facts indicates either gross ignorance of parliament procedure or a cheap debating trick. Here was the lawyer using tricks, including lies, to make his case at the expense of his adversary. The fact that his adversary was a black female and he was a highly privileged white male makes it doubly shameful.

When Barnaby Joyce crashed after upholding family values during the same sex marriage debate he was at that time busily having sex with his staffer Vicki Campion. That became dangerous so he got a couple of his National Party mates to give her jobs in their offices at extra salary. There was also a question of travel and accommodation costs for the two. Evidently public funds had been used by Joyce in conducting the affair, but Turnbull did not want to go down that path: instead he ruled that ministers should not have affairs with their staffers. That changed the debate dramatically from misuse of public funds to one of morality, which alerted the press and others to become morals police. The complications that that misjudgement will create have yet to be played out.

As a footnote to the Joyce saga, after demanding privacy for his child during the inevitable media coverage, Joyce signed a \$150,000 deal with Channel 7 to be interviewed about his relationship with Vikki, his colleagues thought this a poor show for a sitting MP to be interviewed for money, Barnaby said that was OK because that was Vikki's idea.

Who is the real Malcolm?

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Despite Turnbull's rapturous honeymoon, within a year the Liberal Party was badly divided. It had bled corrupt ministers (but not enough as it turned out), it had caved in to the extreme right wing and given the lie to Turnbull's previous public image as a small 'l' liberal. His 2017 Budget might have appeared to restore that image of him but close examination reveals the Budget was a mixture of opportunistic game-playing to defuse Labor, followed by the usual neoliberal policies of kicking the young and the disadvantaged. Much the same could be said of the 2018 Budget.

But we must keep Turnbull in perspective. The extraordinary and unpredictable happenings since Rudd must make us wary of prime ministers whoever they are. They seem to be a deeply flawed species of late. As Peter Brent wrote in November 2016:

Turnbull has turned into Abbott, who had himself, with the world seemingly at his feet after the big 2013 election win, ended up resembling Julia Gillard and Kevin Rudd at their most ineffectual. Could it be that the position, or the political system, now ruins whoever is the current occupant? ⁴⁹

So are these transformations because of the personalities of those involved? Or is it a systemic problem? Probably both. When the system is broken, the political powerbrokers are out of kilter with what the electorate believes in and wants, the gaps so created allowing erratic opportunists to jump in to fill the gap.

One view of Turnbull is that while he came in as a moderate, with leftish views on social issues, right wing on finance and business, he did a Faustian deal with his far right: if he enacts their policies and drops his soft social centre, he could have the job as PM. And when in that exalted position, Turnbull behaved like a skilled barrister whose job is to argue a case aggressively without having to believe in its substance. And when not arguing the cases he probably doesn't believe in himself, his Parliamentary behaviour is little better than that of a bar room brawler.

Another view, which gained more and more traction as his term progressed, is that Turnbull is and possibly always has been on the far right. As an extremely rich financier, co-chairman of Goldman Sachs, he became entangled in the collapse of HIH, the largest corporate collapse in the country's history, with estimated losses of up to \$5.3 billion. As a lawyer, he defended Kerry Packer from charges of tax evasion and organised crime – although Packer threatened to kill him over a 1991 takeover of Fairfax. It is therefore not surprising that Turnbull was comfortable with his far right, his earlier views on climate change a small price to pay for power.

All this so that he can further his ambition of being prime minister of Australia, a job that he is doing badly. Yet Turnbull is the highest paid prime minister in the OECD at \$527, 852: double the salary of Justin Trudeau of Canada and more even than the US president is paid.

Mike Secombe sums up 'the Turnbull circus' thus:

every single parliamentary session devolves into incompetence, scandal and white-anting, and every legislative achievement is overshadowed by scandal or made insubstantial by its pettiness. For this government, hopelessness springs eternal.

That, in brief, is the Turnbull circus. The 45th parliament of Australia has been a year-and-a-half of distraction.⁵⁰

CHAPTER 5**NEOLIBERALISM AND AUSTRALIAN UNIVERSITIES⁵¹**

The role of universities in Australian society has rarely been tension-free. Political demands have often pulled universities in one direction while academic values pull in another. At first the political forces were more about parochialism and local interests, but under the Labor government in 1988, and hugely reinforced under the Howard and Abbott Liberal governments, the political forces pushed universities into monetarist values and corporatised management. Academic values were present throughout but in inverse proportion to the strength of the political pressures. Today, academic values are in retreat in many ways.

Three phases of university development may be distinguished, with a fourth foreshadowed.

The Parochial Phase: Australian universities under state control

The Universities of Sydney and Melbourne were established in the 1850s, roughly along Oxbridge lines with residential colleges, Adelaide followed in 1874, Tasmania in 1890, Queensland in 1909 and Western Australia in 1911. These are today's 'sandstone universities', the oldest universities in each state and originally built in gothic style after their British models. However, each state had different ideas about what a university, and what its relationship to the community, should be. Members of some university councils had strong feelings of ownership over 'their' university, how it should be run and what the academic staff should be doing. Research was not generally regarded as an essential ingredient of a university's activities and it was for this reason that what is now known as the CSIRO was founded in 1926.

In the case of the University of Tasmania, the membership of the University Council invariably comprised a mix of lawyers and local businessmen who had in common membership of the exclusive Tasmanian Club, that plush and oak-dark centre from which the affairs of Tasmania were conducted, and still are. The business community saw themselves as paying the academic pipers and accordingly they claimed the right to call the tune. The pipers disagreed. But as one councillor put it in a dispute with the academic staff in 1928, the University is 'a public utility' and should be governed accordingly.

Things came to a head in the 1950s. In October 1954, Professor of Philosophy, Sydney Sparkes Orr, wrote an open letter on behalf of several staff members to the Premier of Tasmania, Robert Cosgrove, and published it in the Hobart *Mercury*. The letter claimed *inter alia* that the physical conditions at the University were intolerable, and that the University

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Council and the Chancellor, Sir John Morris, interfered inappropriately in wholly academic matters.

The staff got their inquiry, a Royal Commission, which reported in May 1955. The Commission supported the staff in virtually all of their complaints. The commissioners strongly criticised Chancellor Sir John Morris and Vice-Chancellor Torliev Hytten for their interventionist style and recommended that Council be reconstituted with fewer businessmen and lawyers, that Council should defer to the Professorial Board on academic matters, and that many procedures needed to be changed.

But instead of taking the advice of the commissioners, Vice-Chancellor Hytten drew up a hit-list of staff involved in the protest, with Orr's name at the top. Hytten compiled a dossier of complaints against Orr, for example that Orr 'leered' at girls in his classes, he 'importuned' his colleagues and suchlike, but the Chancellor, Sir John Morris, who was also Chief Justice of the State, advised Hytten that this grab bag of grizzles gave insufficient grounds to sack Orr. But two months later, seemingly out of the blue, a local businessman claimed that Orr had seduced his daughter, a student of Orr's. After a farce of an internal inquiry, Orr was summarily dismissed, without the six months' salary that was contractually due to him.

Orr appealed to the Tasmanian Supreme Court for wrongful dismissal. Before the case was heard, the presiding judge was rumoured to have assured his fellow members of the Tasmanian Club: 'Don't worry, Orr's not going to win.' True or not, Orr didn't win.

The Orr Case caused a national and international furore. Orr's summary dismissal was widely seen as Council getting their own back on Orr for instigating the Royal Commission. The international academic community declared a black ban on the Chair of Philosophy, which remained unfilled for many years. The ban was lifted only when the University agreed to a settlement. In May 1966, Orr was awarded a lump sum of £16,000 (\$32,000), which hardly covered his legal fees, let alone ten years' loss of salary. He died two months later of a heart condition.

Other universities have their own stories.

In short, the quality of any particular university in the parochial phase of state ownership was largely dependent on the finances and priorities of individual state governments, and on the often idiosyncratic views of the city fathers on what 'their' university should be doing.

The Academic Phase: The Murray Report

Something had to be done to establish a quality university system across Australia. Accordingly, very soon after the Tasmanian Royal Commission and its unsavoury aftermath,

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Prime Minister Robert Menzies commissioned the Murray Report to advise on the state of Australian universities.

The Murray Report was released in 1957. It concluded that 'if the present situation is not to become catastrophic' immediate action should be taken to bring all universities under Commonwealth control and financing. The university sector should have three main aims:

1. to provide for 'more highly educated people in all walks of life' but especially more university graduates.
2. to assert two central aims of universities: the education of graduates, and to conduct 'untrammelled' research to discover knowledge for its own sake.
3. to regard universities as the guardians of intellectual standards and of intellectual integrity in the community.

The Murray Report gave heart to academics, particularly in Tasmania. Tasmania quickly cleaned up its act, putting in place new regulations especially to do with dismissal procedures. These procedures were to become a national model until the Dawkins attack on universities in 1988. I call this the 'academic phase' because in intention at least the academic values of 'untrammelled' teaching and research were the stated ideal, even if they were not always practiced.

The sixties saw a period of university expansion. New universities such as Monash, Macquarie, La Trobe, Flinders, and a little later James Cook, Griffith, Deakin and Murdoch were established. Newcastle and Wollongong were granted autonomy from being colleges of the NSW University of Technology, which itself became the University of NSW. All these universities, along with the sandstone universities, were dedicated to teaching the traditional basic disciplines and to the pursuit of untrammelled research, the results of which academics were to publish by their writing and teaching. Academics had tenure and the freedom, indeed the duty, to speak out as social critic from within their area of expertise. Professional preparation in these universities was usually limited to the traditional professions of law, medicine and engineering, with some universities specialising in areas of local concern, such as rural science and agricultural economics at the University of New England.

In 1967 Menzies commissioned the Martin Report, which proposed the introduction of colleges of advanced education (CAEs). CAEs were state owned and controlled instead of being, as were the universities, federally funded and independent. CAEs were designed to complement universities, providing professional education, as demand required, for a wider variety of professions than universities alone could provide. They were frequently single purpose institutions, such as teachers' and agricultural colleges, that later broadened to

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become multipurpose. They offered at first sub-degree awards of certificates and diplomas, in such professions as teaching, nursing, physiotherapy, agriculture and pharmacy.

Although this binary system of CAEs and universities was meant to rationalise the higher education sector, CAEs soon began offering degrees, later postgraduate and even doctoral awards in a few institutions. CAE staff were generally not required to undertake research and were on lower pay scales than their university counterparts. Seeing themselves as second class citizens, they lobbied for equality with universities. There was much animosity between the two sectors, especially where amalgamations between individual CAEs and universities had been mooted; university staff claimed that standards would suffer, while college staff accused the universities of elitism.

By the 1980s, the university sector was starting to get a bad press, often for good reason. Paid overseas study leave was often vital for researchers to keep up to date in their fields and to carry out collaborative research with other international experts. While study leave technically had to be earned, many academics took leave on the flimsiest of grounds with nothing much to show for it when they returned to their home university; they got away with that because all too often accountability was slack. Further, the long summer vacation should be the time for academics to bring themselves up to date with developments in their field, to catch up on their research and publishing, and to prepare for the next year's teaching. But many did none of these things. The public perception grew that academics were lazy bludgers who took world tours at public expense.

Some universities had scandals of their own – those at Newcastle leading to a suggestion that its closure might well be considered.⁵² One issue at Newcastle is interesting in that it not only echoes Tasmania's problems but foreshadows those of today. The Vice-Chancellor, Don George, and Deputy-Chairman of Senate, Michael Carter, thought they could avert amalgamation with Newcastle CAE by rationalising courses between the two institutions. In secret talks, to which the University's Faculty of Education was not privy, it was decided to trade the University's Diploma in Education for a handful of specialist Masters degrees for which the CAE was staffed whereas the University was not. The academic body, the University Senate, twice rejected the deal but the Council on the urging of Carter over-rode Senate each time, despite the fact that officially he was the Senate's representative and voice on Council. Carter actually told Council: 'University councils over all the Western world are assuming more power, precisely because the Senates find it impossible to make the hard decisions.'

But councils assuming too much power was what went wrong in Tasmania forty years earlier and that had led to the Royal Commission there. This issue was to return full circle, for conflict between academics and lay governance is essentially at the bottom of many of the current problems as managerialism took over.

The Neoliberal Phase: Corporatisation of Universities

Newcastle was not the only university that appeared to be bucketing out of control. Don Watson remarks that by the eighties, alongside some brilliant intellectual effort, 'a certain amount of equally well-paid Olympic lassitude' had co-existed and had caught the public eye.⁵³ Further, the tertiary sector as a whole was in financial difficulties. Labor Education Minister John Dawkins, seeing the world through his newly acquired neoliberal glasses, thus had plenty of excuses for taking his axe from the woodshed and hacking into the higher education sector as he did in 1988.

The Dawkins reforms were drastic. Selected CAEs were forced to amalgamate with adjacent universities; these and the remaining un-amalgamated colleges were all called universities, while the governance of these universities was restructured into the top-down management style of the CAEs. And to pay for this lateralization – many would say dumbing down – of higher education, Australian students had to pay substantial fees for the first time since the Whitlam years.

However there was rather more to these changes than the intervention of one control-happy minister of education. As UK Prime Minister Thatcher had ruled, education is a private good and so you should jolly well pay for it yourself. This changed the nature of the game. Universities soon morphed into shops selling a commodity called 'knowledge', the market deciding what particular parcels of knowledge were most saleable, and hence what courses should be run and, the other side of that coin, what should be run down.

Departments that trained people for jobs in high demand survived, and those that didn't were in trouble. Classics, languages, pure science and mathematics courses suffered badly, becoming virtually extinct in some universities or reduced to providing service courses for professional degrees, while hospitality and tourism, information technology, business and marketing either flourished or suffered a boom and bust cycle as demand fluctuated. The idea advocated in the Murray Report that universities were the guardians and nurturers of the basic disciplines had all but gone.

Dawkins' transformation of the tertiary sector was brutal but matters became even worse under the Howard Government. Academics were dismissed as 'elites' who were divorced from the 'real' world. Public funding of universities thirty years ago had been around 95 per cent: Howard saw it cut to below 40 per cent, one of the lowest figures in OECD countries. This is worse than it might seem for, unlike American and British universities that have a tradition of donations and endowments from grateful alumni, Australian universities have no such tradition. Consequently, they became seriously cash-strapped; milking international students was the only way many universities were able to stay afloat. Class sizes became grossly inflated following staff dismissals and redundancies. Casual and often inexperienced

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teachers filled the more glaring gaps in staffing courses – whether or not the gaps were in these teachers' expertise. Teaching quality was at an all-time low.

Universities had to find alternative sources of funding. More students meant more fees so with government encouragement, universities accepted a wider range of school leavers than previously, near-doubling their intake to at least 40 per cent of school leavers and rising. Wider ranges of professional and vocational courses had to be provided to cater for this broader student population.

In just a few years, the nature of the tertiary sector had changed drastically, becoming 'massified' as the jargon had it. Universities had shifted from being publicly funded institutions to follow their academic remit, to becoming businesses, very large and lucrative businesses in some cases. Previously, the vice-chancellor was an academic, *primus inter pares*, the first amongst equals, and deans of faculties were elected by the academic staff from their own ranks. Decisions about teaching and what courses to provide were made by academics at department and faculty levels and ratified by an academic senate or a professorial board. No longer.

Deans are appointed, not elected by their peers as previously, and are accountable to their superiors not to their peers. Senior administrators, who may come from a business as much as from an academic background, prepare mission statements and strategic plans that they stuff into their pigskin briefcases. They determine what programmes and courses are to be run, and they design key performance indicators against which staff and resources are measured for 'quality assurance'. Highly paid administrators now outnumber academic staff: 54 per cent of university staff are administrative, only 46 per cent academic, and the administrative salary burden and their average salaries are much higher than the academics' average.⁵⁴ One is reminded of the film *Britannia Hospital*, whose only function was to run itself: patients and their care were a nuisance to be minimised.

Quality assurance procedures may seem appropriate in the business context but they are counter-productive in the academic context. Key performance indicators are frequently designed by non-academic managers, addressing different domains, such as engagement in university committees, learning and teaching, research performance, but also, to quote one website, 'organisational sustainability and capability', which seems to mean anything the administration wants it to mean, such as forbidding academics from making public statements that might be seen as criticism of the institution or its administration. This totally undermines the important responsibility academics once had of acting as social critic within their own areas of expertise.

Most academics today are not on tenure but on short-term contracts – and if they want their contracts renewed they had better be good little boys and girls in the eyes of administration. Measuring staff against key performance indicators can force academics to

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act in ways that they may see as contrary to their academic judgment. It also allows senior administrators to bully and harass their staff if they feel so inclined. As happens. One university has a blog site devoted to examples of bullying put up by its victims.⁵⁵ Richard Hil claims that continual assessment by line managers is demeaning and insulting: in no other profession are such highly qualified experts treated as being so untrustworthy.⁵⁶ Seventy five per cent of academics across Australia are suffering psychological stress, as opposed to nineteen per cent in the general workforce, while job satisfaction amongst academics is much lower than it is in general.⁵⁷

Hannah Forsyth sums the situation very well: ⁵⁸

The university system is left with wasteful research funding schemes, overpaid senior executives and ‘star’ researchers; with DVCs employed to improve ‘quality’ by doing nothing but play the system; with quality assurance schemes that take academics away from teaching and research to compel them to sit in endless meetings and fill in form after form while their casual colleagues scrape by under enormous financial stress; all this creates a world that teaches everyone from top to bottom to play the system rather than focus on the actual quality of teaching and research.

The Abbott Government made a bad situation worse. On the one hand, they added a further cut of 20 per cent to universities on top of Labor’s existing \$2.3 billion cuts; on the other hand, with the help of some of those cuts they subsidised private institutions and religious training institutions. And for good measure, they also cut \$110 million from the CSIRO.

In order that universities could still function in the face of these cuts, Education minister Christopher Pyne proposed to deregulate universities allowing them to charge whatever they liked, citing the example of US universities, which dominate the top 20 best universities in world along with Oxford and Cambridge. His message: deregulate and Australian universities will be in the world top 20! The fact that his proposals would likely triple the fees for degrees, up to \$100,000 for some degrees, didn’t seem to worry him. A new loans scheme would fix that he opined – even if that would shut out most students from lower socio-economic homes.

This was neoliberalism red in tooth and claw. And it was based on ignorance. In the US there are 2,500 private and public universities, the latter at least receiving a high degree of public funding as well as large endowments and gifts. They do not survive on fees alone as Pyne would dream things to be. Fortunately Pyne couldn’t get his bills through Senate – and then Turnbull became leader and Pyne was no longer the Minister of Education. The new minister, Simon Birmingham, thinks ‘we need to find a method that drives an outcome that frankly is more attuned with what the employment market demands.’⁵⁹ Again, we see the

needs of industry determining what universities should be doing, which is what the CAEs were meant to do, while universities pursued their academic mission. Birmingham's proposals surfaced in the 2017 Budget: \$2.8 billion in cuts, including an 'efficiency dividend' cut of over \$500,000, student fees raised by 7.5 per cent and their HECS to be progressively paid off when their post-graduation salary reached \$42,000 instead of \$55,000 as previously.

What a shameful mess various governments have made of the university sector.

Teaching and research in the neoliberal university

Typically, a teacher faces 15 class contact hours and more a week, on top of which is the time outside the classroom spent in assessing student work and in setting up compulsory blogs for student feedback and discussion: the latter alone can involve three and more hours a day. Academics are likely to be working flat out for fifty hours a week, leaving little time or motivation for teachers to reflect on their teaching and to innovate.

However, with students now paying big money, they expect to be taught well. Some are. Many institutions have created teaching and learning centres to help teachers with their teaching and to help implement systems-wide approaches to teaching and assessment, such as outcomes-based teaching and learning. The latter is a highly effective innovation where teachers define what outcomes the students are meant to be learning, whereas traditionally teachers focus on what they are meant to be teaching, which mostly means what to talk about in the lecture room. In the constructively aligned version of outcomes-based teaching, the teachers design teaching-learning activities that are specifically designed to help the learner achieve the intended outcomes, and the student's performance is then assessed to see how well those outcomes have been achieved.⁶⁰ This system of teaching actively helps students achieve what they are supposed to be learning to satisfactory standards. Quality assurance, or better quality enhancement, can thus be assessed intrinsically, in terms of how well students are achieving intended outcomes. Constructive alignment has been successfully implemented in many parts of the world.

In traditional teaching, teachers focus on the content they are meant to be teaching and 'delivering' that content by standard methods of teaching, such as lecture, tutorial laboratory, and so on. Lecturing is the standard – in fact that term is used generically for 'teaching' – although it is one of the least effective means of teaching. Assessing by norm-referencing, or grading on the curve, actually hides the quality of students' performance. Quality assurance in this case can only be assessed extrinsically by measuring teachers against arbitrary standards set up by managers who work outside the teaching environment itself.

But it gets worse. While in the eyes of the general public and of students, the purpose of most present day universities is teaching, and while the major source of funding comes from teaching, full-time appointments and promotions are largely determined by research productivity rather than by teaching quality. There is a major disconnect between the expectations of those from without the university and from students themselves that place teaching as the top priority, while those from within the university see research as the top priority. Understandably, then, all but the most dedicated teachers will devote their energy – what is left of it – to building their research profile rather than spend time on improving their teaching.

So to research. Credible research is described as being ‘disinterested’, meaning that it is to be carried out by a researcher who has no stake in the outcome. However, being judged against key performance indicators ensures that researchers do indeed have a stake on the outcome of their research. Their job might be on the line if they don’t produce at least one publication a year, according to one common key performance indicator. In the sciences, this is made easier with team-based research that is published under several names. However, such pressures in the arts and humanities encourage ‘quickies’, pot-boilers that can be whacked out in a hurry in whatever journal that will accept an article that has passed peer review. Such short term pressures discourage academics from engaging in in-depth research that may take years to bring to fruition.⁶¹

Another important key indicator is the ability to obtain funding for research. Previously, research funding came predominantly from the public sector, but now funding comes from various sources: from the much diminished Australian Research Council, the National Health and Medical Research Council, from income derived from teaching, and especially from the private sector.

However, when corporations commission research, it is difficult for the researcher to be disinterested in the outcome. Corporations do not commission research to be altruistic; they want a particular result. Academics hired to carry out contract research for large corporations are thus under pressure to produce the desired results if they want their funding to continue – and eventually their employment contract to be renewed. Further, the results of that research are all too often ‘commercial-in-confidence’, which means that any patents arising from the research are owned by the company and academics may not publish that research, even though publication is an important currency by which an academic’s worth is assessed. Worse, what would otherwise be public knowledge is privatised. Yet one of the most important roles of universities is precisely to build upon public knowledge. Knowledge should belong to all of us for the benefit of humankind, not for the benefit of rich corporations to make yet more money.

The results of research need to be published so that it can be replicated and extended, or if it is disconfirmed, to be reconceptualised and retested. If the knowledge derived from research is locked away we are all deprived. Traditionally academics were charged to seek out and publish ‘the truth’, as it arose from their research and scholarship. You can’t do that very effectively if the truth you find is an inconvenient one, and your job is on the line if you publish it – as has happened.⁶² Academics were originally granted tenure precisely so that they could feel free to tell the truths that their untrammelled research had uncovered, however inconvenient to governments or to powerful others that might be. Tenure also allowed academics to carry out long term research, the outcomes of which may take years to produce. But as today most academics are on contract, not tenured, there must be a deleterious effect on the nature of research findings and their propagation.

In short, the major flaw in today’s neoliberally conceived universities is that they are trying to do the academic task with a monetarist set of values that inevitably distorts academic work.

On October 24, 2012, corporate giant Ernst & Young issued a report, *University of the Future*⁶³, which concludes that the forty Australian universities delivering much the same service, in much the same way, is inefficient and unsustainable. The smaller ‘second tier’ universities the report predicts will fall by the wayside unless they can become much more efficient, for example, by heavily cutting down on support staff which at the moment outnumber teaching and research staff. Hard to disagree with that.

But then the report goes on to say that universities have to become ‘much more integrated with industry’. Three different levels for which three different kinds of university are foreshadowed:

1. ‘Streamlined status quo’ universities that are essentially our present institutions but streamlined and focused on vocational preparation.
2. ‘Niche dominator’ universities, comprising some existing established universities and new ones specialised to target particular customers.
3. ‘Transformer’ universities comprising a new breed of private providers that will create new markets, new segments and new sources of economic value.

In other words, being ‘more integrated with industry’ means that the *entire* tertiary sector is redefined and nuanced to fit into various levels of corporate need.

Such a proposal is not surprising coming from a firm like Ernst & Young, but a corporate takeover of all postsecondary education in Australia is the very last thing we need. We need a university system that serves both academic values and societal needs.

The next phase: Universities for wisdom?

Glyn Davis, Vice-Chancellor of Melbourne University, argues that the Australian tertiary system is a mess.⁶⁴ The Dawkins 'unified system' of 1988 has been solidly reinforced ever since so that today we have forty odd universities all trying to do essentially the same job; the traditional teaching-and-research model but starved of public funds so that, as we have seen, they have been forced, in order self-finance, to offer all sorts of courses such as chiropractic, Chinese medicine, dietetics, fashion design, and so forth, on top of – thus squashing – traditional academic areas. The result is expensive and has severely undermined not only traditional academic areas in many universities but the whole vocational education and training sector. Costing traditional academic research as we have seen has meant applying a business model to what should be an academic operation, thus distorting it.

Davis says that a national framework should cover all post-school education and be much more diverse. Many possibly most institutions should not be forced into funding and carrying out research, but specialise in trade areas and be teaching only, while others might become more focused and academic.

A malign effect of neoliberal managerialism is that it keeps western governments in holding mode, resisting change.⁶⁵ The global financial crisis is an example of the damage caused by such resistance. For example, denial of man-made climate change is necessary for the fossil fuel industry to survive. So rustle up a few rogue scientists, some with links to the fossil fuel and mining industries, and demand in the best post-modern manner that they have equal time with the remaining 97 per cent of scientists, donate to the political parties so that carbon pricing can be called 'a great big toxic tax', and the public becomes deeply confused. And so we continue with the status quo, its dangers to our very planet being swept under the corporate carpet.

The role of education in this situation is clear: it is to create in people a willingness to evaluate evidence, to engage in thoughtful debate, and create openness to change. The universities of the Murray era, in their inefficient and bumbling way, had something like that noble end in sight with interest-driven research encouraged and academics acting as social critic. However those universities lost their direction sufficiently to be attacked and taken over by the neoliberal right. Academics in their role of social critic were deliberately marginalised as effete latté sipping elites. University goals, or graduate attributes, were tuned to the demands of the corporate world, while managers calling themselves vice-chancellors put in place on-line strategies for cost-effectively achieving managerially imposed institutional outcomes. No radical ideas that question the status quo, please.

Fine tuning the existing system is unlikely to help students think outside the square in such a way that they might challenge the self-serving dogmas created by the corporate world. Of

course we need institutions that provide vocational and professional preparation focused on good teaching, but that is a separate issue from increasing the pool of knowledge about the social and physical world, or by engaging in the sort of research needed for creating a better world. The new institution would need to promote new modes of thinking, and engaging in research across a variety of disciplines in order to tackle problems relating to the nature of society itself. In-depth study of the humanities and the basic sciences is essential in establishing this pool of knowledge about the world.

Let us call these 'universities for wisdom'. They need to be unconstrained, which probably means that they need to be financed with no strings attached, no subservience to market forces in either teaching or research, and they need to be administered by academics themselves, the experts in their fields of knowledge. The emphasis in all programmes, undergraduate and graduate, would be on 'post-formal' thinking; that is thinking at an integrative, systemic level that includes ethical considerations, as well as thinking in depth in a specific area, which is what universities were about in the academic phase outlined in the Murray Report. Universities should concentrate on interest-driven and problem-driven research, within and across disciplines, and to establish think tanks focused on specific issues.

At the present time society itself is dangerously poised: we may tip one way into more corporate control and to ecological disaster, or another way into a newly structured, sustainable and just society. Which way we go depends on the way we conceive our alternative futures and how we do that will depend crucially on how our education system liberalises our thinking.

The university for wisdom has a vital role in the tertiary sector, alongside professional education. Making such an institution practicable and operational is the challenge for the future.

PART II: NEOLIBERALISM GONE FERAL

CHAPTER 7**TRUMPISM⁶⁶****Thank you Donald Trump!**

The Trump tsunami helped me crystallise what I think has gone politically wrong generally but especially with our own political system. Indeed, the possibility of the election of a Trump as US President is understandable in light of the sort of decision-making, by faith and belief rather than by reason, discussed in Chapter 1, 'A Wave of Unreason'. Too many people voted for Trump because they believed what he said when none of it was backed up either by evidence or by logic.

Trump's election is beyond belief when seen through the lens of conventional politics. Donald Trump is not only a racist, misogynist, lying psychopath, with no political experience, nominally representing the Republican party when the leaders of that party were (originally) strongly opposed to him, and he campaigned on few if any sensible policies. Yet he won the presidency of the most powerful and influential country in the world. What unreason is that! Hillary Clinton had 30 years of experience in the corridors of power, knew how things worked, was fluent and was strongly supported by her major party. She had more votes than Trump by a margin approaching 3,000,000 but the scheming Trump gained most states – and the last is what matters in the bizarre electoral college system of voting in the US, which gives greater weight to the less populous states.

Trump's strategy was therefore simple: forget the wealthy city folk and focus on the rural states because that is the way the system works. Also, it was the rural states who had suffered the most when manufacturing was sent offshore to developing countries where labour was cheaper, as good neoliberal policy demanded. States like Ohio, Iowa, Wisconsin and Pennsylvania, and manufacturing cities like the once thriving Detroit, contained armies of unemployed and extremely angry ex-workers. They were a soft target for Trump's shrill racist rants.

In these states especially, people were fearful that what few jobs existed were being taken by immigrants who worked for lower wages than they. Stirring up racism was therefore the obvious way for a moral imbecile to go. Workers' wages had not changed significantly over 30 odd years while the wealth of the urban already rich had multiplied many times over. Sixty years ago, the top 1 percent of the wealthy own 9 per cent of the total wealth of the USA, today the top 1 percent own 90 per cent of the nation's wealth. Trump played on that sense of injustice, never mind that he was a billionaire with a record of worker abuse and that later he filled his cabinet with billionaires who were no friend to the workers.

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The other side to Trump's success is that people were sick of nearly 30 years of the ubiquitous Clintons and their evidently corrupt Clinton Foundation, their lies, sexual scandals (spiced up with the fake news that Hillary ran a paedophile ring), their line up with the big end of town. Hillary, since being Secretary of State, had been paid \$22 million for speeches to the corporate and financial elites, including \$225,000 each for lectures to Goldman Sachs, the multinational finance company largely responsible for the GFC, praising them for their policies and performance. The Democrats' traditional power base of workers saw Clinton as on the side of the system that had destroyed their jobs.

Neoliberalism had involved a massive redistribution of wealth to the already rich, and the insulation of the political establishment from the needs and wellbeing of their electorate. Not even the cage full of canaries that died during the 2008 GFC made the penny drop for the political and economic elite: indeed, more of the same was irrationally seen as the solution to that problem. It needed a real estate developer who ran a reality TV show to cause the butterfly's wing to flap in the USA, creating a catastrophic shift in world politics.

A large part of the traditional Democrat constituency, workers and the idealistic left, transferred their allegiance from Clinton to Bernie Sanders for their Democratic candidate. His support, especially amongst the young, was enormous but when it was discovered that the Democrat elites had undermined Sanders and his social justice platform, Sanders' supporters were livid. Young Democrats couldn't vote for Trump, they wouldn't now vote for Clinton, and that of course also helped Trump win. It has been estimated by several experts that had Sanders been the Democrat candidate he would have beaten Trump.

So if Hillary and her allies hadn't undermined Sanders, America would now have a left-leaning social democratic government not an extreme right, racist and, as it turned out, monumentally incompetent government.

Trump's domestic policies

If anyone thought, and optimists did, that once electioneering mode was over, Trump would settle down and follow the rules, they were wrong. Once in office, he issued Executive Orders, 20 in ten days, that aimed to implement his rashest election promises: building a wall across the Mexican border, banning access to the US from seven Muslim countries (but no bans on the nine Muslim countries with whom Trump was doing business).

Trump's appointments to cabinet and senior levels of government were loaded heavily to the far right, including military hawks, climate deniers, representatives of the fossil fuel industry and of the financial sector, not to mention his own totally inexperienced children and his son-in-law as senior 'advisors.' For the first time in recent history not one member of the White House Cabinet had a PhD. A Trump administration is a family business and

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operates as one. Far from draining the swamp, Trump has filled it with his own corporate crocodiles.

This should not have pleased those under-privileged who had voted him in, but his hard core base of around 33% hasn't decreased in over a year. His overall approval index hovers around 36%, the lowest for any US president a year into office. Coincidentally or not, Malcolm Turnbull's approval index as Prime Minister also stands at 36% at the time of writing (February 2018).

Of all the promises Trump made prior to election, only two were able to pass Congress: the ban on Muslims from certain countries, and the tax cut to 21% for the very rich and the corporate world. The ban on Muslims arriving in the US was overturned in several state courts and one federal court. A furious Trump tweeted that the US legal system was 'broken'. But after a year, Congress approved this racist ban. The Republican Party had evidently decided that the costs of removing Trump were higher than the costs of retaining him. Impeachment now seemed less likely.

The tax cuts Trump presented as 'a Christmas present for the middle classes of America'. That they were not. The nonpartisan Tax Policy Center estimated that the top 1% of earners would accrue a whopping 83% gain while middle salary earners' temporary tax cut would become a tax increase by 2027. A majority of Americans protested against such a 'Christmas present' but gleeful Republicans saw it through Congress to much expressed outrage by the outnumbered Democrats. The cut is estimated to bring the deficit to an unmanageable \$3 trillion. Then there is a \$70 billion increase in defence spending, and \$1.6 billion to start on the Mexican border wall. All this is to be paid for by cutting \$3.6 trillion in government spending over the next decade: at least \$610 billion cut to Medicaid healthcare program for the poor, and more than \$192 billion from food stamps over a decade. This is the very last thing his jobless voters could want. They might like this one however: Federal aid to states that voted for Clinton a drop of 4.8 per cent, but a cut of only 1.2 percent for states that backed Trump.

FBI director James Comey was the best guy in the world when he investigated Hillary Clinton's emails. However when Comey set up an investigation into Trump's previous national security advisor Michael Flynn, who had had dealings with Russia, Trump ordered him to drop the investigation. Comey refused, Trump summarily sacked him. He was replaced by Robert Mueller, ex FBI chief and no pushover, who has already sworn in a grand jury on the question of Trump and his staff, including Trump's chief advisor, slum landlord and son-in-law, Jared Kushner, using Russian sourced dirt on Hillary Clinton. There's a lot more of this story to come.

Another scandalous bill with enthusiastic Republican support would deport 800,000 'Dreamers', that is children who had accompanied their illegally entered parents, to their

countries of origin. The Democrats strongly resisted this at first by withholding money bills but finally agreed to pass the bills if Trump would raise the matter of deporting the Dreamers later. He did raise it later: the Dreamers are to be deported.

Stories about Trump's bullying, lying and incompetent and often contradictory rulings emerge every day, it is impossible to keep track. Nor is it my intention. The main point of this chapter is to see how Australia might be affected by Trumpism. So let's turn to foreign policy.

Foreign policies

Trump's foreign policies keep changing every day. On his first overseas visit, he sold \$150 billion worth of armaments to Saudi Arabia to allow them to clobber suffering Yemen more bloodily, and as far as we are allowed to know he probably made a personal fortune out of the sales. This further antagonised Iran when they had just voted in a moderate leader.

Trump visited Palestine for 'peacemaking' but months later he announced that Jerusalem would be Israel's capital, causing further outrage and rioting in Palestine and other countries. Casino billionaire Sheldon G. Adelson had donated \$20 million to Trump's election campaign in 2016 in exchange for Trump promising to move the U.S. embassy from Tel Aviv to Jerusalem. He so promised. The United Nations Security Council condemned the US, but the US vetoed the motion, promising to remove billions of dollars of foreign aid from any countries voting against the US. Nevertheless it went to the 193 strong UN General Assembly: 120 countries defied the US, 35 abstained – including of course Australia – and 9 voted against, all small impoverished countries to whom US aid was vital.

The war of words with N. Korea got worse and worse, Kim Jong-un ('little Rocket Man') and Trump exchanging insults like two playground bullies. Two of the most unstable and bellicose leaders in the world were facing off, each with a hand on their respective nuclear buttons, although Trump boasts that his button is bigger than Little Rocket Man's. Kim Jong-un threatened on August 2017 to send four nuclear missiles to US island Guam. To which Trump replied: 'North Korea best not make any more threats to the United States. They will be met with fire and fury like the world has never seen.'

Yet the Pyongyang Winter Olympic Games in February 2018 saw an amazing turnaround. North and South Korea marched under the Korean Unification flag, which displays the entire Korean peninsula in blue against a white backdrop. Symbolically at any rate this marked a massive lessening of tension and possible hints of reunification. Soon after Kim Jong Un sought to meet with Trump – and Trump agreed, as long as N Korea disbanded their nuclear armoury. This has a long way to run before we know if this brings the 60 year long Korean War to an end. Cynics say this is an old Korean trick: agree to peace then renege on some

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pretext. Be that as it may, the doomsday clock had turned back another minute or two from midnight.

Or maybe only 30 seconds back, for on the very day that Trump had agreed to talk to Kim Jong Un, an adventurous lady called Stormy Daniels, her nom-de-lit as a pornstar, claimed she had been paid \$130,000 to keep quiet about an affair she had had with Trump in 2007 shortly after the birth of his son Barron. This would have been much bigger news had Trump not changed his tune on that same day about talks with N Korea. So had he only thrown the meat in the opposite direction, or does he really intend to have genuine talks with N Korea?

All very confusing for days later the talks with N. Korea were back on again.

Trump's personality

The preceding instances of both domestic and foreign actions are disturbing, as they show a consistent pattern of behaviour consistent with psychopathy. Accepted characteristics of a psychopath are:

Glib and superficial; grandiose, inflated sense of self-worth supreme egotism; no remorse; compulsive lying; promiscuous; attention-seeking; callous, no empathy; emotional detachment.

Trump ticks every one of those boxes. Indeed 27 Psychiatrists and Mental Health Experts wrote to the *New York Times* (30 November 2017):

We represent a much larger number of concerned mental health professionals who have come forward to warn against the president's psychological instability and the dangers it poses. ... We are currently witnessing more than his usual state of instability — in fact, a pattern of decompensation: increasing loss of touch with reality, marked signs of volatility and unpredictable behavior, and an attraction to violence as a means of coping. These characteristics place our country and the world at extreme risk of danger. ...

In *Fire and Fury* Michael Wolff interviewed White House staff and ex-staff including Steve Bannon. The White House is described as being in chaos, Trump as a semi-literate child who demands instant gratification, watches television addictively, has no idea of governance, eats McDonald's because he's pathologically afraid of being poisoned, and so on.

Trump immediately threatened to sue Wolff but possibly had second thoughts, as the interviewees would have to appear in court and that might not be so good for Trump. Instead he dismissed the book as 'all lies, pure fiction', enabling him to give this assessment of himself:

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A very stable genius...I went to the best college ... I was a very excellent student, came out, made billions and billions of dollars, became one of the top business people, went to television and for 10 years was a tremendous success — as you probably have heard — ran for President one time only and won.

Wolff promises that his book will spell the end of Trump as president by the end of 2018. Unfortunately the book itself is seriously flawed in its selectivity of evidence but the President's self-assessment gives the book some validity.

What this might mean internationally is summed up by Hugh White, Professor of Strategic Studies at the ANU⁶⁷:

He seems to have no concept of the state itself as a great collective enterprise with interests and objectives beyond his own. It really is all about him, so he speaks and acts simply for himself. ... what matters for him is how he feels about himself and how he thinks others feel about him, so he says and does whatever appeals to him and what he thinks will appeal to others at the moment he says it. So he talks of war, it seems, not with any thought of what war might cost or what it might achieve but simply because he likes the way he sounds when he talks this way, and thinks others will like it too. That such a person could have been elected president of the United States is one of the strangest events in the history of representative government.

How are Australian politicians reacting to President Trump?

If we are to take Hugh White and the US psychiatric community seriously, with all the evidence only a small part of which I have related above, Australia clearly needs to take stock of how we react to Trump.

When Turnbull came to the top job he warned us about 'hollow and extravagant professions of loyalty and devotion' to the US, not to get 'doe-eyed' in the presence of the American president. But after Trump's election Turnbull himself got doe-eyed. He led a sycophantic conga line to be amongst the first to kiss the Trump Rump (to paraphrase Mark Latham). He phoned Trump soon after his election, boasting how he had spoken to Trump before leaders of larger nations did, although he needed Greg Norman's help to obtain Trump's phone number. The 15 minute conversation was, he tells us, 'warm, frank, constructive and practical'. He went on: 'Americans understand that they have no stronger ally, no better friend, than Australia and the enduring national interests of our two countries as such that our relationship will continue to be strong.' He explained how similar he was to Trump, both business men coming late in life to politics – but hadn't Turnbull been in politics for years, and twice leader of the Liberal Party? Our Little Sir Echo of a Prime Minister went on: 'America stands by its allies, including Australia of course, and we stand by the United

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States. So be very, very clear on that. If there's an attack on the US, the ANZUS Treaty would be invoked and Australia would come to the aid of the United States, as America would come to our aid if we were attacked.'

Labor's response on the contrary was realistic and cautious: Trump's election is a game changer Shorten said and obviously it is. Penny Wong wrote that 'there was a very serious prospect of a substantial shift in US foreign policy.' And wasn't changing foreign policy exactly what Trump had been telling his cheering followers?

Shorten and Wong emphasised that the way America seems set to go seems very different from the way Australia would want to go: we must judge each involvement with the US on the merits of the case. That seems eminently sensible, and close to Angela Merkel's reaction to Trump:

Germany and America are connected by values of democracy, freedom and respect for the law and the dignity of man, independent of origin, skin colour, religion, gender, sexual orientation or political views. I offer the next President of the United States close cooperation on the basis of these values.

Polite, offering cooperation but in terms of our supposed common values as democracies. What could be fairer than that?

Turnbull still basking on the warmth of his 15 minute phone call, blustered that Penny Wong wanted 'to move away from our strongest, most important, most trusted, most enduring ally.' She was thereby 'even willing to put our nation's security at risk.'

Turnbull had gained an agreement with Obama to take in asylum seekers from Manus Island and Nauru, subject to vetting by the US. Given the ban on Muslim immigration to the US, Turnbull phoned Trump to confirm the agreement still held. Turnbull reported that the conversation was firm and friendly, but the White House leaked a different version: that Trump called the agreement a 'dumb deal', that Australia was seeking to unload the next 'Boston bombers' onto the US, that Turnbull had been soundly tongue-lashed by Trump, and had hung up on Turnbull after 25 minutes. Turnbull assured Trump he needn't take any refugees 'just as long as we go through the process.' There was also much disquiet as to what Turnbull might have agreed to in return: we don't know and are unlikely to be told. All that noise notwithstanding, the US did take 251 refugees for resettlement, but still leaving a majority in the Manus hell-hole.

White House Press Secretary Sean Spicer apologised to Australia for the way our 'Mr Trumble' had been treated. When Trump and Turnbull months later met on USS *Intrepid*, now the greatest of friends, the topic of that phone call came up. 'We had a good call. You guys exaggerated that call. It was an exaggeration. We're no babies. That was a little bit of fake news,' Trump said dismissively. 'That's exactly right', the victim of that call lied.

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According to usual bully-victim politics, our PM may expect more bullying to come. Particularly if he continues to wear the same long red tie that Trump wore when they meet.

Paying such sycophantic attention to Trump is just what a bloated egotist wants. When Trump made it clear that on taking office he would tear the TransPacific Partnership TPP up, Turnbull took that to mean that we might be able to adjust the TPP to suit Trump's vision of America. Turnbull was prepared to lean over backwards to allow Trump to call the shots. This became a nonissue when Trump ruled the TPP out. But when the other signatories revived the TPP minus America and all the clauses that favoured America, Trump became interested again (see p.).

Or take Trump's proposed trade war with China. Trade with China is economically important to Australia. Which way would our right wing go with that? Back our own country's economy or back Trump's policy? There has been no open discussion or debate about any of this. The China issue disappeared momentarily, for suddenly China was Trump's best friend. Months later Trump did raise tariffs on Chinese imports, China retaliated, and it was back to war again. Such unpredictable shifting the game is Orwellian, making automatic partisanship with the US not only foolish but impossible.⁶⁸

When Trump announced his economically insane policy to increased tariffs on foreign steel and aluminium, Turnbull joined the rest of the world in pointing how counterproductive it would be, especially for Australian jobs and growth. Canada and Mexico had been exempted from the tariff wall and Turnbull lobbied for days trying to get Australia exempted, to which Trump eventually agreed after some cat-and-mouse business. Surely there would be a quid pro quo for that? Turnbull said no, not at all. But Trump had tweeted that the exemptions would be linked to 'fair and reciprocal military and trade reciprocity.' 'Ah that', Turnbull said echoed by other senior Liberals, 'that is for the paper work.' Believe that if you can. So are we now not just joined but welded at the hip with the US in any military operations it decides to undertake, particularly against China's territorial claims? However, in typical Trump style, Europe, Canada and Mexico were hit with the tariffs creating a nasty trade war. Australia therefore could just as easily see the tariff back on again.

Trump wants a massive military build-up in the States, and his military interventions in the Middle East and North Korea will mean ever more US intervention despite the isolationist position he emphasised throughout the election campaign. So will Australia meekly commit Australian troops to wars Trump wants to engage? We have unfailingly followed the US into war in the past, usually with disastrous results: for us, for the US and for the countries invaded. All the signs are that a Coalition government would continue along this increasingly dangerous path. Unfortunately the fact that we have US bases well established in Australia virtually locks us in to US military policy. John Pilger in his 2016 film *The Coming War on China* made this point to a senior US politician, who flatly denied that there were any US

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bases in Australia yet a day later the television showed US troops disembarking at the US Darwin base. Was the US politician unaware of the Darwin base or was just an opportunistic liar? We urgently need to re-evaluate our position re the US and China as White emphasises.⁶⁹

Trump's populism and racism has given some sort of validity to the rise of One Nation in that Trumpism makes Hanson seem more mainstream than extreme. Liberal Senator Cory Bernardi was sponsored by the Liberal Party to be an observer at the UN in the US, but instead he took up the Trump cause, appearing on Australian television with a red trucker's cap inscribed 'Make Australia Great Again'. He returned to Australia fired up with delusions that he was Australia's Donald Trump. He left the Liberal Party and started his own far right Australian Conservative party, which gobbled up Family First.

How the Trump-enthused One Nation and Australian Conservatives will affect Australian politics is to be seen. It surely won't be nice.

How likely is Australia to spawn a Trump?

Several features in America helped the Trump victory, features that do not exist in this country or nowhere near the same extent. We have compulsory voting which means that it is unlikely that a large number of voters of one persuasion, like the young Democrats, would refrain from voting thereby bringing about a result they didn't want. In fact only 19 per cent of the population voted for Trump, yet that was enough to install him given the American convoluted electoral system. We have a preferential voting system, and the Senate and several state upper houses and Tasmania's lower house, have a proportional representation system of voting all of which lowers that risk.

The extreme sense of powerlessness and anger particularly in the rural US states isn't present to that extent in Australia. Higher home ownership, a welfare system, a government health scheme in Medicare, and relatively better wages, take the sharp edge off the alienation and civic anger that is felt in the US. Our audience of angry and disempowered people who voted for One Nation in the last election was only 4.3 per cent overall, although it is around 15 per cent in rural Queensland. Hanson is just an attention seeking troublemaker compared to the cult figure that Trump made of himself. Likewise, it is difficult to see Bernardi as a populist Trump figure, even if he can claim Gina Rinehart's vast financial support.

America has always had a hard right narrative. From early settlement it has been more acceptable to express violence and to act out racism in the USA than here. We have no real equivalent to the Ku Klux Klan and the National Rifle Association, both of whom enthusiastically support Trump, nor do we have America's extraordinarily high violence and murder rates. Trump's appeals to division, hatred and racism thus already had a large and

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willing audience. Violence and racist behaviour are not acceptable to the great majority of Australians. Don Watson sums Trump up beautifully as the quintessential American redneck:

A scam artist, an ignoramus, a professional liar, a colossal and malignant narcissist, a vulgarian, a casino operator, a serial bankrupt – a Roy Cohn-mentored billionaire with deep Mob connections – is in the White House. Has there ever been a more American presidency? What took them so long? ⁷⁰

Sinclair Lewis in his 1935 novel *It can't happen here* accurately predicted a Trump-like presidency precisely by drawing upon those mid-western macho values. True, D.H. Lawrence in his 1923 novel *Kangaroo* described the rise of a fascist party in 'twenties Australia but his scenario doesn't fit today's Australia and probably didn't fit then. We are unlikely to spawn a Trump.

That is not to say that all is well here. The dual reaction of the right to Trump's victory, either to rejoice and emulate his programme of division and hatred, or to try to placate the man while pretending everything is okay, is a big worry. That only exacerbates the gap between the people and politicians and between different classes of people. Representative government breaks down under those circumstances. The UK government did not connect with the ordinary people hence Brexit. Successive Australian administrations have paid more attention to party priorities than to good governance, hence the string of failed Australian PMs since 2007 and increasing public distrust of politics and politicians.

The reaction from the left is more encouraging. The whole idea of a social democratic governance, which Labor and the Greens at least claim to represent, is to build the economy in order to serve the people. Ideally that means that wherever citizens live, whatever their ethnicity, they have the same rights of access to health, education, transport, the law and a happy and fulfilling life. The nearest to that ideal has been achieved in Scandinavia (see Chapter 10).

Raimond Gaita believes the upsurge of Trump signalled the end of reason:

Trump's disdain of facts and argument became so persistent and extreme, that he took his supporters – and America with them – into a place where he eroded the conditions that enable the application of concepts of fact, evidence and argument.⁷¹

Most of the first chapter in this book, 'A Wave of Unreason', was written in 2014. In four years, that wave of unreason has become a tsunami. All those qualities and values of the Enlightenment – the search for truth through science, evidence and argument – have reached a universal low. Just when the world least needs it, we are facing a surge from the irrational right, a wave of unreason, that is putting the planet itself at risk.

PART III: CRONY CAPITALISM

CHAPTER 9**CRONY CAPITALISM IN TASMANIA 1:****THE FOREST INDUSTRY****Crony Capitalism in Tasmania**

So far I have been discussing neoliberalism as a political system where governments deregulate, step back and allow market forces to prevail. The recent Tasmanian Liberal under Will Hodgman came to power in 2014 after years of Labor rule and enthusiastically adopted neoliberal principles promising, for example, cheaper and faster planning with the Tasmanian Planning Scheme, which effectively deregulates development leaving very limited rights of public input and subsequent appeal. The TPS allows developers to extend house height limits that would shut off views and sunlight from existing dwellings. In the CBD, with its many Georgian and Victorian buildings, two skyscraper hotels from a Singaporean developer were proposed, but in light of strong public objections the government is pussyfooting on these at the moment. Building in national parks will be allowed, the power to oppose development on aesthetic grounds or on those of social consideration and good feeling are denied local councils and individuals.

In January 2015 the Government appointed a property developer as Chairperson of the Tasmanian Heritage Council, which lists historically or culturally relevant properties protecting them from inappropriate development. The Council delisted nearly 300 properties in the Hobart and surrounding areas alone. This, together with the Tasmanian Planning Scheme, is a developer's wet dream. Many historically important buildings will be destroyed. This is vandalism on a scale that should not be tolerated in a civilised country. Amid mounting public anger the government is reconsidering selling the beautiful Doric Treasury building in Hobart and government buildings in St John Street, Launceston.

However neoliberalism is not the worst form of the relationship between the Tasmanian government and big business. That honour goes to crony capitalism, which is a bastard child of neoliberalism – although it is probably more accurate to say that neoliberalism is a bastard child of crony capitalism, for the latter is more primitive and came first in the scheme of things. They both have in common the idea that government serves business interests before the public interest.

Crony capitalism is an economy that depends on close relationships between particular business operators and government officials, leading to favouritism in the distribution of legal permits, government grants, special tax breaks, and other forms of state intervention. Whereas neoliberalism operates on a more generalised scale and has some sort of

philosophical backup, crony capitalism is up close and personal with no philosophy beyond doing your mates a good turn.

Tasmania was built on crony capitalism from colonial times, when various Lt. Governors gave their favourites huge land grants and the convicts to work the land for them. Parochialism and favouritism are essential to crony capitalism. When the Deputy Premier Paul Lennon was questioned on ABC television about the use of 1080 poisoning in forestry operations, he asked the journalist where he came from. When the reply was 'Melbourne', the reporter was told to get out, he had no right to be interfering in Tasmanian affairs. Put such parochialism together with heavy government subsidies to chosen industries, in this case woodchipping, and you have crony capitalism.

Although the term was first applied to what happens in many developing countries, it aptly applies to Tasmanian politics where mates meet mates within the oak-dark walls of the plush Tasmanian Club, scratch each other's backs enthusiastically, and rule for the benefit of each other. Ex-Liberal leader Bob Cheek's memoir, *Confessions of a Ferret Salesman*⁷², describes some vivid examples of cronyism from an insider's viewpoint.

Small jurisdictions, elitism, we're all mates here, keep the deals secret: these comprise the soil for growing crony capitalism. The present chapter discusses the forestry industry, the next salmon farming and poker machine licensing.

The role of government in woodchipping Tasmania's forests is a stunning example of crony capitalism. Hundreds of millions of dollars of public money have been poured into this unsustainable industry, which is bizarre given that employment in that industry is low. Once, forestry was around 10 per cent of the workforce but today is less than 1 per cent.⁷³ From 2006 to 2011, over 5,000 jobs in forestry were lost through mechanisation. Forestry has been the source of more friction and division in Tasmanian society than any other single issue, with the exception of the transportation of convicts in colonial times and conscription in World War I.

From logging to chipping

Tasmania's rich forests have been exploited from first settlement for their specialist timbers: the versatile and virtually rot-proof Huon pine, celery top pine, King Billy pine, sassafras, blackwood and myrtle. Harvesting was originally done by selective logging, taking individual trees only, with the result that the industry was more or less sustainable.

That changed in the early 1970s with the development of a woodchip industry. At first, woodchips were made from off-cuts and forest residue after the best logs had been taken for furniture, boatbuilding and like quality products. Woodchips thus value added to a thriving industry so that little was wasted. The first woodchips were exported to Japan in 1971 but as the trade with Japan grew, the chips became 90 per cent of the harvest,

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involving clear-felling of whole coupes, a small 10 percent of logs becoming the by-product. It reached the point where perfectly good logs of quality timber were deliberately damaged so they were only good for the chipper.

The main players in this hideously wasteful game were Gunns Limited, first under their CEO Robin Gray, the abrasive Premier who tried to dam the Franklin River, then by his side-kick John Gay, both of them in league with the Government's forestry arm, Forestry Tasmania.

Government by Gunns⁷⁴

Gunns, with the considerable aid of Forestry Tasmania and the Parliament of Tasmania, established the following modus operandi.

From the 1980s to 2010, thousands upon thousands of hectares of native forests were clear-felled. Powerful skidders, hauling chains across the logging coupes, brought everything crashing to the ground: 90 per cent of the logs were sent to the woodchipper, 10 per cent retained for timber, the remaining debris napalmed by helicopter. Every autumn, when the skies were usually at their clearest and Tassie was at her loveliest, massive mushroom clouds of smoke made it seem like we had suffered a nuclear attack.

Forestry Tasmania calls these 'regeneration burns', said to emulate those used by indigenous Tasmanians to encourage seeding and reducing undercover. Many native plants do indeed need fire to regenerate, but indigenous Tasmanians did not use helicopters and napalm. Such accelerated burns generated such intense heat that much of the biomass in the soil was destroyed. This was deliberate because that left no competition for the fast-growing exotic *Eucalyptus nitens* seedlings, designed specifically for wood pulp, that were planted in the ashes.

These burns produced 70 million tons of carbon dioxide annually, more than the total for the rest of Tasmania. Forestry Tasmania claimed that forestry operations were better than carbon neutral because they replaced more trees than they took out. However, young seedlings take years to enter the carbon cycle significantly and they are harvested before much carbon absorption through photosynthesis takes place. Further, monoculture plantations lack essential biodiversity and never become effective carbon sinks. Given also that plantations are allowed 100 per cent tax credit under Management Investment Schemes, which John Howard's Forestry Minister Tasmanian Eric Abetz applied to forestry, there was big money mostly tax free in destroying old growth forests and replacing them with plantations.

Up to 2004, 1080 poison was laid to kill native animals that browsed on the seedlings. Hundreds of thousands of native animals, including endangered and protected species such as devils, quolls and wedge-tailed eagles who scavenge the poisoned corpses, not to mention domestic dogs and cats, all died agonisingly over several days. It is illegal to destroy

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endangered species, but forestry was specifically exempted from acts to do with environmental and endangered species protection, and to make sure that we could not discover the details, forestry operations were exempted from Freedom of Information legislation. No other industry had that sort of legal protection.

The *nitens* seedlings were sprayed with billowing clouds of simazine and atrazine, herbicides that are banned in the European Union as dangerous carcinogens. The spray frequently drifted onto private farms and contaminated water supplies. Farmers and householders complained bitterly, but 'alleged contamination events' were regularly denied by the relevant government departments.

During the 2004 federal election, Labor leader Mark Latham, after a visit with Bob Brown to the Styx Valley, offered an extremely generous package of \$800 million compensation for timber workers in return for stopping old growth clear-felling. It was one of the very few statesmanlike things that Latham ever did.

Immediately afterwards, John Howard – no healer he – flew to Tasmania with his offer: business as usual with a few extra subsidies to the timber industry thrown in. Tasmanians were then treated to the extraordinary spectacle of Labor Premier, Paul Lennon, at the head of 2,000 baying unionists, cheering Liberal PM John Howard. Lennon had handed two Federal seats to the Liberals so that he could continue old growth logging against the wishes of a large majority of Tasmanians.⁷⁵ Gunns shareholders were evidently regarded by Government as a fully protected species, unlike our native animals.

Despite all this protective legislation, Forestry Tasmania scarcely turned a profit in the first few years of the 21st century while its major customer, Gunns, made very large profits indeed. Over the period 1997-98 to 2009-10 the Tasmanian forestry industry as a whole received \$767 million of public money in subsidies, yet in the financial year 2006-2007, Forestry Tasmania posted a loss of \$55.2 million.^{76,77} To justify the unjustifiable, forestry spin doctors say that it is all about 'jobs, jobs, jobs', but employment in the forest industries was falling.

A minor player in 1989, twenty years later Gunns was the richest company in the state and the biggest woodchip exporter in Australia; its CEO, John Gay, was in 2008 the richest Tasmanian. However in 2010, Gunns reported a 98 per cent fall in profits and Gay was off the very rich list. In December 2009 he unloaded 3.4 million shares at nearly 90 cents per share after which the price fell to 26.5 cents. Shareholders howled for his blood and that of ex-Premier Robin Gray. Both resigned from Gunns and all its subsidiaries on 29th May 2010, whereupon the share price jumped 40% to 39.5 cents, increasing Gay's personal holdings of Gunns shares by nearly \$2 million, which must have been some consolation for the poor chap.

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Charged with insider trading over his 2009 sell-off, Gay pleaded guilty. Justice David Porter in the Tasmanian Supreme Court, praising him for his 'exemplary' character, fined him \$50,000. The Federal Police did not press charges and allowed him to keep the \$780,000 odd he made on the deal but the Director of Public Prosecutions intervened and Gay repaid \$500,000. He was banned from directorships of any other companies but a year or so later, Justice Robert Pearce in the Tasmanian Supreme Court allowed Gay to become director of two family companies.

In September 2012, Gunns Limited filed for bankruptcy, and was shortly in the hands of receivers KordaMenthe who tried to sell all Gunns' assets – including the permits for building a pulp mill.

A pulp mill? What was that all about?

The scandal of Gunn's pulp mill

In mid-2004, Premier Paul Lennon had a long lunch with Gunns' managing director, John Gay, at a restaurant on the Hobart waterfront. Rumours flew, sourced, it was said, to a waiter with sharp ears. On 20th July those rumours were confirmed: Gunns planned to build a \$1.4 billion chlorine-free, state-of-the-art kraft pulp mill, using plantation timber. It would be one of the biggest mills ever built and it would be situated at Long Reach, near the mouth of the Tamar River.

On 14th December, 2004, Gunns filed a \$6.3 million libel suit against twenty people who had been prominent in protesting the logging of old growth forests, including small landholders and Bob Brown, Leader of the Greens. They were charged with 'corporate vilification' in a SLAPP suit (Strategic Litigation Against Public Participation). SLAPP suits are specifically used by corporations to silence public protest against unwanted or dangerous developments.⁷⁸

Two days later, on 16th December, Gunns publicly announced the pulp mill proposal. The subtext of this timing was clear: *protest against our mill if you dare!*

Gunns' mill proposal was sent to the state's independent monitoring body, the Resource and Planning Development Commission (RPDC), for assessment. The RPDC co-opted Dr Warwick Raverty, an expert on pulp mills. In July 2006 Gunns thumped a 7,500 page proposal on the RPDC's table, demanding an early decision. It turned out that the mill was not chlorine-free after all, that native, not plantation, timber would be used to fire it, that Gunns had underestimated the outflow of effluent into Bass Strait by a factor of 45 times the true figure. The co-opted expert, Raverty, said that the proposed Long Reach site near the mouth of the Tamar would be susceptible to serious environmental damage in the form of air pollution, toxic effluent and odour emissions. The proposed mill was 'the wrong sort of mill in the wrong place', Raverty asserted. Several times he had urged Gunns to use the Hampshire site in the North West (which Gunns had originally nominated as a possibility)

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but the company refused, on the grounds that the Long Reach site was cheaper and more convenient: ships could tie up there, the native forests in Tasmania's north east were conveniently close to feed the mill, and the 26 billion gigalitres of water a year needed could be piped from Launceston's own domestic water supply, the Trevallyn Dam.

Instead of letting the RPDC deal with these complications in its own time, Lennon met with Chairman Julian Green several times, urging him to hurry the process along. On 24th December 2006, Green resigned in protest at government interference 'which no longer make it possible for me to remain as chair and panel member.' Within days Raverty had also resigned, calling as he did so for a public inquiry into the Tasmanian Government for being 'unethical, duplicitous and Machiavellian in its dealings with the electorate.' On 1st February 2007, Lennon appointed retired Judge Chris Wright as the new chairman of the RPDC, but with an ultimatum to reach a decision by 31st July 2007. Wright, too, resigned claiming political interference and pressure that made him feel 'compromised' as head of an independent enquiry.

In early March, 2007, the deputy chairman of RPDC, Simon Cooper, wrote to the Premier's Office advising that the Gunns proposal was 'critically deficient' in meeting the RPDC's guidelines. The mill would not be passing the RPDC assessment. The Premier's Office requested that Gunns not be informed of this just yet, thus giving the Office time to leak the bad news to Gunns, which in turn gave Gay time to withdraw Gunns' proposal from the RPDC assessment before their decision became official.

Lennon took a bill to Parliament, the Pulp Mill Assessment Act (PMAA), which gave the project an in-principle go-ahead, subject to *an* 'assessment' for which Gunns' lawyers helped to write the guidelines. They made it a benefits-only analysis, which excluded the RPDC's guidelines on air, water and waste pollution.

The PMAA was passed on 23rd March 2007 by both Labor and Liberal parties. It included a particularly contentious Clause 11 that would protect Gunns from legal redress in the event of any adverse effects during the construction and operation of the mill. Only the Greens voted against the PMAA. The Bill was referred to the Legislative Council to be voted on as a matter of urgency the following week. It was swiftly passed by both parties.

Thirty of the forty politicians in Tasmania, elected and sworn to represent and to further the interests of the public, had demolished the one process that would have protected the public against a development that *prima facie* could harm their properties, their livelihood, their health, their environment. Those who voted for the mill had no coherent idea of what harm might result from the mill because that aspect had specifically been *ruled out* of their so-called assessment. Worse, if there was any harm to life, property or business, thanks to Clause 11 nothing could be done about it in the courts unless criminal behaviour was involved.

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Aspects of the bill had federal ramification involving Malcolm Turnbull and later Peter Garrett as Federal Environment Ministers: both approved it with minor qualifications.

In November 2009 it was realized that the two years granted to Gunns to begin work on the site had expired the previous August, opening the building of the mill to legal challenge. This was no good. Labor Premier Bartlett, with the connivance of the Liberals, rushed through a two year extension for Gunns, brazenly declaring that ‘the mill will still need to meet the strictest environmental guidelines in the world.’ But Bartlett and his party, again with the connivance of the Liberals, had fast-tracked the mill proposal precisely to *avoid* proper assessment of the mill proposal against ‘the strictest environmental guidelines’! Be that as it may, Gunns were granted a two year extension to 30 August 2011 by which date they had to show that ‘substantial commencement’ on the mill had begun. Again, no substantial work had started by this second expiry date.

The Tasmanian Conservation Trust went to the Supreme Court arguing that as there was no substantial commencement on the mill by the due date, any further work on the mill was illegal. When Gunns collapsed, the receivers, KordaMenthe, wrote to Labor Premier Giddings requesting Parliament to enact legislation specifically in order to forestall the pending court case by the Tasmanian Conservation Trust. KordaMenthe’s lawyers designed the bill and Parliament was convened specifically to do KordaMenthe’s behest. The Lower House passed the Pulp Mill Assessment Amendment Bill on 28th January 2014, the Upper House two days later, both by large majorities. The possibility of an awkward Supreme Court decision had successfully been bypassed.

Twice now, both Houses of Parliament had, with large majorities each time, passed an improperly assessed and potentially hazardous mill at the behest of private companies. The saga of the mill was not only driven by cronies – Lennon and Gay in the first instance – but the lawyers of Gunns dictated to Parliament the terms of reference for the assessment of the mill and those of KordaMenthe for the sale of the mill’s permits. There were no takers and the sale of those permits expired in October 2017.

Private companies had called the tune for Parliament to dance to – and both houses of the Tasmanian Parliament were only too happy to perform their pirouettes as requested. And all for nothing.

The mill was a dud from the start, as the Premier’s Office had been informed back in 2007.

The Tasmanian Forestry Agreement

When woodchip prices plummeted in 2010, representatives from the timber industry sought an agreement with environmental groups, in order to restructure the industry in order to end the scarifying warfare that had split Tasmania for over forty years. After hard negotiation a deal was struck and the Tasmanian Forestry Agreement (2012) passed both

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Houses. The industry agreed to Forestry Stewardship Council (FSC) certification, which meant the end of old growth logging, and to locking up some 420,000 ha of old growth forest; the environmentalists agreed to cease demonstrations against forestry operations. Neither side was entirely happy but at least there was a general agreement where before there had been fierce hostility and an industry in crisis.

In Parliament in 17 May 2011, Premier Giddings stunned Tasmanians when she said that the TFA 'was all about getting the pulp mill up.' Most Tasmanians, however, had thought the TFA was all about reconciliation between the industry and environmentalists and restructuring the industry.

The TFA in tatters

Although the pulp mill was by now a dead duck, the Liberals wanted to commence logging in old growth forests. This was contrary to the TFA, and a barrier to FSC certification, which is necessary to sell timber or woodchips to international markets. But as soon as the TFA was proclaimed Opposition Leader Will Hodgman swore he would tear it up if in government. His Big Brother in Canberra, Tony Abbott, agreed and further, asked the World Heritage Committee to delist 74,000 ha of old growth forest that had been listed as World Heritage only months previously. The WHC took 10 mins to refuse Abbott's request.

The Liberals won the 2014 election. In a hairy-chested display, Premier Hodgman literally tore up the Bill on the steps of Parliament House. He opened up World Heritage forests to commercial development and passed the Anti-Workplace Protest Bill that proposed mandatory sentencing and fines of up to \$10,000 to prevent 'radical protesters seeking to make their point by destroying livelihoods.' The Legislative Council dropped mandatory sentencing from the bill but retained a section giving police officers the unique power of arresting anyone on their say-so. Here was police state stuff:

Policeman: 'Move on, you.'

Protestor: 'But I have a right to stand here peacefully,'

Policeman: 'And I say you don't. You're nicked!'

The Hodgman Government's first major show of who was boss was against forestry protestors at a small town in NW Tasmania called Lapoinya. To the delight of the 368 inhabitants, Lapoinya had a small 68 hectare forest, part regrowth part original, with fern glades ('lapoinya' is aboriginal for 'fern') and a small stream which is a haven for the rare unique Tasmanian giant lobster and other endangered flora and fauna including still healthy Tasmanian devils. No matter, Forestry Tasmania clear-felled the forest in January 2016, the logs sold to corrupt Malaysian company Ta Ann at *below* cost to fulfil a quota of peeler logs. Economist John Lawrence estimated that the operation put Forestry Tasmania a

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further \$215,000 into debt. The Locals protested strongly but carefully, as is their civil right. Five were arrested including Bob Brown and a nurse, Jessica Hoyt.

Will Hodgman and his abrasive Minister Paul Harriss were using the money-losing rape of Lapoinya to make a point, not to make money or to create jobs. The point was this: 'See here, Tasmanians, we are going to haul you all back to the bad old days of division, confrontation, and clear-felled ugliness. Get used to it.'

Professor of American Government and Politics, Randall Doyle, a frequent visitor to Tasmania, on reading the anti-protest legislation concluded that 'democracy and dissent are in grave danger in Tasmania':

The combination of corporate interests and their obedient legislative lapdogs in the Tasmanian Parliament have created a monstrous law that fundamentally alters the course of civil affairs. ... this legislation must be dismantled immediately. It is holding a knife to the throat of Tasmanian politics and the exercise of democracy and dissent ...⁷⁹

Doyle raised fundamental issues of good governance. Australia is the only Western democracy to lack an entrenched bill or charter of rights, nor does it enjoy a strict separation of powers doctrine to keep governmental power in check. The issue of a Bill of Rights had been raised at both state and federal levels several times previously, and each time politicians had refused to enact one. Simply, they don't want to place limits on their own power. They can therefore wangle bills through Parliament that cannot be contested, such as the Anti-Workplace Protest Bill and the infamous Pulp Mill Assessment Act that as we have seen absolved Gunns of any legal culpability arising from the construction and operation of their mill.⁸⁰ A Bill of Rights would put a stop to that kind of autocracy, not to say corruption.

Bob Brown and Jessica Hoyt challenged the validity of the Tasmanian anti-protest law in the High Court and won in October 2017. The majority of judges agreed the legislation was confusing, vague and poorly written, Justice Gageler describing the provisions as 'Pythonesque absurdity'. The provisions created sanctions and penalties far outside the actual purported interference with a workplace. Giving the police powers to arrest on suspicion was arbitrary and could not be justified. The Government reacted by saying it 'notes and accepts the decision of the High Court' but makes 'no apology for seeking to protect the right of workers to earn a living free from being disrupted by protestors.' They still didn't get it.

In January 2016, following a long drought, a huge front of wild fires caused by dry lightning burned out of control damaging over 100,000 ha in the forests of the NW, 11,000 ha in World Heritage areas, hitherto intact for 12,000 years. Unlike eucalypts, many of our iconic pencil pines and cushion plants had burned beyond any hope of recovery. This was a huge

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loss to Tasmania's unique wilderness. As fire ecologist David Bowman said, it was 'like losing the thylacine.' It should have ended the Liberals' plan to develop and log the remaining unspoiled forests, surely all that destruction should be all the more reason to cherish the remaining wilderness.

That is not what the Government thought. In October 2016, Resources Minister Guy Barnett announced loggers would be allowed into 356,000 hectares of high conservation value, carbon rich forests that were set aside under the Tasmanian Forest Agreement, including formal reserves in Bruny Island, the Tarkine and other heritage forests. The Tasmanian Sawmillers' Association, the Forest Industries Association, the CFMEU, environmental groups, tourism operators and many members of the public strongly objected to the move. The bill passed the Lower House but fortunately the Legislative Council knocked it back.

Future generations will surely gape in amazement at what has been going on in the Tasmanian forest industry. Forestry operations are lose-lose-lose-lose-lose for us ordinary Tasmanians. We lose jobs; we lose our most precious asset, our forests; we lose pristine waterways; we lose our native wildlife; and we even lose money. In a scam that fooled no-one, Forestry Tasmania was renamed Sustainable Timbers Tasmania but like its hapless predecessor SST survives only by the massive subsidies it receives from the public purse.

However the defeat of governmental legislation by the Legislative Council and the High Court on forestry has not blunted the Government's appetite for crony capitalism in other areas, as we see in the next chapter.

CHAPTER 10**CRONY CAPITALISM IN TASMANIA 2:****SALMON FARMING, GAMING LICENSES AND MORE****Salmon Farming**

Salmon farming was thought to be a Tasmanian success story, until the usual greedy mistake was made: overgrow the industry to make pots and pots of money and never mind the environmental consequences. The public was first alerted to what was happening by the ABC's *Four Corners* (31 October, 2016).

Salmon farms were located in the Huon valley, in southern waters and most damagingly, in Macquarie Harbour on the West Coast, which incorporates part of a World Heritage site. Far too many permits had been issued, particularly to the firm Tassal, allowing more and more expansion. The result was wide scale damage due to feed pellets, salmon excrement, deoxygenation of the water, high bacterial levels, the damage being exacerbated by warming seas. Other countries have experienced such problems. Norway solved theirs by abolishing the use of antibiotics, and disposing of wastes on land instead of in the sea. Another precaution is to farm in deep water where the wastes can dissipate more easily. None of these safeguards are yet used in Tasmania.

The Federal Environmental Department monitored Macquarie Harbour where there are a large number of salmon farms, Tassal being the largest operator there. The Department however refused to release the findings. Greens Senator Peter Whish-Wilson suggested that this was because the findings would embarrass the Liberal Tasmanian Government.⁸¹ The government did however discuss the results with the Tasmanian Environmental Protection Authority who as a result set the limits in Macquarie Harbour at 14,000 tonnes of fish. That notwithstanding the Hodgman Government allowed Tassal to stock 21,000 tonnes of salmon. Tassal has the worst environmental record in Macquarie Harbour and was issued with 14 non-compliance notices in September 2016. They were ordered to destock one farm in the World Heritage Area for polluting it badly. The bottom of the Harbour was described as a lifeless desert, the water deoxygenated and bacterial levels way too high.

The CEO of rival firm Huon Aquaculture, Frances Bender, challenged the 14,000 tonne limit as too high. In a legal first, she is suing the industry regulator, the Environment Protection Authority (EPA), and the Tasmanian Department of Primary Industries, Parks, Water and Environment (DPIPWE) for failing to manage and protect the environment in Macquarie Harbour for allowing companies to intensively farm salmon in numbers far greater than the

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harbour can sustain. Even the staid Hobart *Mercury* in an editorial (2/11/16) drew the parallel between the Government's treatment of aquaculture and of forestry: 'In both case there is lack of transparency, noncritical political support and overzealous legislative protection.'

Following the order, Tassal did destock. After a survey two weeks later, they claimed the Harbour floor was back to normal. This seemed unlikely given the previous state of the floor but CEO Mark Ryan refused point blank to make the survey report public. Nevertheless Tassal was allowed to restock 4,000 tonnes *over* the 14,000 tonnes limit on the condition that they placed a large tarpaulin-like shit collector under the enclosures and change the tarps every two days. Even if the excrement did not accumulate on the bottom of the lake, salmon shit is partially soluble in water so presumably it would stay in the water for the same period of time with or without the tarp. Either way, the salmon would be swimming in their own excrement before their journey to our tables. These tarps have been tried overseas and not surprisingly were found to be next to useless. Yet the government's EPA approved this method, allowing Tassal double the amount of salmon allowed other companies.

The Aquaculture Stewardship Council (ASC) on the other hand found that Tassal had failed to comply with 19 requirements for certification at two sites in Macquarie Harbour. Requirements included lack of compliance with four essential Marine Farming Licence conditions. Tassal has been given 90 working days to fix the four worst noncompliance issues if the company is to be recertified, certification being the global 'gold standard' for salmon farming.

That didn't stop the director of the Government's Environmental Protection Agency, Wes Ford, from saying: 'At the moment I'm satisfied [Tassal] are operating in a manner that is both within the standards set by the ASC and under the Marine Farm Licensing requirements ... I do not believe Tassal had broken any state laws.' And Premier Will Hodgman: 'We've increased the laws to protect our environment and to provide a more certain regulatory environment. ... We will regulate it strictly and expect all companies to abide by the law.'

Yet, notwithstanding the mess in Macquarie Harbour, Tassal were given the green light for even more farms in the fragile Okehampton Bay on the East Coast. The bay is shallow, with water temperatures described by the CSIRO as 'among the fastest rising in the world'. An 'independent' Marine Farming Review Panel, appointed by the Government, assessed Tassal's plan for Okehampton. They dismissed claims that the water temperature was rising, and allowed Tassal to go ahead despite overwhelming public protests from tourist operators, fishermen and the concerned public. It was later realised that the route used by humpback whales to breed crossed Okehampton Bay, and the last of Tasmania's giant kelp

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forests could be endangered by the salmon farms. Both concerns made Federal approval necessary, and Minister for the Environment Josh Frydenburg duly obliged. Bugger the whales, profit is more important, was the message. It would be natural justice if the whales swam right through the farms and buggered them instead.

On 8 January 2018, it was announced that 30,000 fish had died in Okehampton Bay but Tassal said this was ‘a minor, one-off mortality issue caused by human error.’ The EPA agreed: ‘the mortality event at Okehampton Bay was not environment or disease-related.’ However, in the six months from October 2017, there were 1.4 million fish deaths from disease exacerbated by heat, stress and low oxygen in once pristine Macquarie Harbour, forcing EPA’s Wes Forde to backtrack, setting a much lower limit of 9,500 tonnes of fish from the previous maximum of 21,500 tonnes set in 2016. At that Premier Hodgman – whose government had set the 21,500 limit – managed to claim: ‘That is why we as a government sought to intervene to reduce caps to increase environmental protections.’⁸²

Somehow Minister Rockcliff managed to echo the description of forestry operations in relation to salmon farming: both are ‘world’s best practice’.

Poker machines

James Boyce’s *Losing Streak: How Tasmania was gamed by the gambling industry* tells the incredible story of how Tasmanians became heavily addicted to compulsive gambling.⁸³

The cosy relationships between successive governments and the gambling industry started with Labor Premier Eric Reece, when in 1968 he granted Federal Hotels, owned by the Farrell family, a licence for Australia’s first casino in their Wrest Point Riviera Hotel in Sandy Bay. The proposal was to rebuild and extend Wrest Point as an international conference centre with just a ‘small room’ for gambling for the benefit of rich high rollers from overseas. There was nevertheless much local opposition from the public and churches, their fear being that locals would be the majority of customers, as in fact turned out to be the case. The Liberal Party opposed the bill but a conscience vote was agreed to and the bill just passed. A referendum was held – after the bill had passed through Parliament – but the question was cleverly designed to focus upon the development itself not upon gambling. The referendum also narrowly passed. Federal had got their casino.

Although the Liberals were originally against the Wrest Point casino, they tapped into the bitter North-South divide and proposed a casino for Launceston, which won over enough Liberal votes for them to form government in coalition with Kevin Lyons, Centre Party. Lyons was the son of the highly respected ex PM Joseph and Dame Enid Lyons but alas Lyons did not live up to the honourable family name. Two firms put in bids for the Launceston casino licence, Federal of course, and Stocks and Holdings who the Liberals favoured. What happened next was murky. A third player in this was British Tobacco Amatil who had illegally

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acquired land and was prosecuted by the Liberal Government. The Reece Government promised to validate British Tobacco's land holdings retrospectively. If the Bethune Liberal Government fell, Reece Labor would be back in power, the Farrells would get their monopoly, and the British Tobacco's holdings would be safe. Suddenly, apparently out of the blue, Lyons resigned, the Liberals lost their majority, and Reece Labor was back in power. Lyons went to Melbourne and, set up a PR firm the first customer of which was Federal. Lyons was the proud owner of two expensive houses, one in Camberwell the other in Glen Iris. And British Tobacco paid Lyons \$25,000 to write his memoirs, which he never did.

There was considerable disquiet about the Lyons affair but an extensive police inquiry concluded there was no case for a prosecution. Over forty years later, Boyce accessed the police enquiry and concluded there should be a further enquiry, hopefully a Royal Commission. He spoke to the Chief Commissioner of Police Darrell Hine to that effect who refused to act on the grounds that people who had been implicated were still alive today. 'That is precisely why there *should* be one!' Boyce commented. On further prompting by Boyce and Independent MP Andrew Wilkie, a dedicated campaigner against pokies, Commissioner Hine has agreed to look into whether there should be a further police enquiry.

In 1982 the Launceston Country Club Casino opened with Federal in partnership with Examiner Northern Tasmania. In 1984, Federal bought out ENT, thus gaining their longed-for monopoly of the two Tasmanian casinos. Federal introduced Video Gaming Machines (VGMs) that modelled table games as a 'public service for shy people who liked to gamble away from the scrutiny of others.' These were not poker machines, which had been forbidden in the original act, but heading that way. The once-forbidden high intensity poker machines were to come less than a decade later.

In 1992 the Liberal Premier Ray Groom, in what Boyce describes as 'the deal of the century', granted Federal an exclusive licence extending it *ex gratia* until 2003, and as an unasked for gesture of goodwill lowered the government tax on gambling profits. In 1993, in defiance of the original assurance, poker machines were introduced into clubs and pubs. These were high intensity machines that were specially designed to create addiction. They are programed to feed rewards strategically, augmented by sounds and flashing lights, to give the impression the player is winning when in fact the losses are high. Over \$1,000 could be lost in an hour. The sounds and visual displays transport the player into a self-enclosed virtual cocoon where the reality of what is happening is blurred. These machines are known as 'Australian' machines and are banned in several countries.

In 2003, Labor Premier Jim Bacon went better, delivering to Federal 'the deal of the millennium'. He extended the Federal licence to 2018, with a rollover until 2023, again

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waiving the licence fee of some \$300,000; removed betting limits that were part of the original deal; capped numbers at 3,680 machines across the state, which was 287 more than previously; and abolished tax on table gaming. Bacon said in a stunning *non sequitur* that giving Federal the monopoly would discourage gambling. In exchange Federal was to build a large upmarket hotel in Coles Bay to be finished by 2005. The hotel, Saffire, did not appear until ten years after the due date and was small, only 22 rooms, with room costs starting at a daily rate of \$2,250. Not for Tasmanians.

Greg Farrell recently said that ‘the Tasmanian gambling industry (has) the lowest level of problem gambling ... the highest level of regulatory controls...’. Gamblers he said ‘are trying to get away from something else’, very few being addicted to gambling as such.⁸⁴ This is wrong. The evidence suggests that Tasmania has one of the highest numbers of problem gamblers per capita in the world, and any regulatory control works against the punter. Poker machines in Tasmania net \$69 million p.a. to the Federal group.⁸⁵

Up to \$200 million a year is lost on poker machines, at least forty per cent coming from problem gamblers. Money gambled away is removed from the general economy, affecting normal businesses adversely. In poorer neighbourhoods where machines are disproportionately located, addictive gambling extracts from limited budgets money that would be otherwise spent on food, family needs and general goods and services. Placing machines in hotels creates a loss of jobs because they are not labour intensive whereas serving food and alcohol and having gigs are. Even the racing industry is strongly opposed; they estimate that they lose \$77 million betting on horses. And of course addictive gambling causes marriage breakup and personal unhappiness with consequent health costs and loss of working days.

Extraordinarily, the Tasmanian Government tax on poker machines is the lowest in Australia and given the above costs, Boyce convincingly argues that banning poker machines, not other forms of gambling, would lift employment and benefit the Tasmanian economy hugely. John Mangan, Professor of Economics, University of Queensland, confirmed this. He was commissioned by Anglicare in 2017 to investigate the economics of Tasmanian poker machines who found that Tasmanians lose on average \$113 million a year on poker machines in the state’s pubs and clubs and that if 100 per cent of gambling losses was diverted it would create 670 full time jobs, and add \$91 million annually to Tasmania’s gross output and add \$45 million in wages, profits and dividends.

Six Tasmanian tourism businesses won 19 of the 26 award categories in the 2016 Australian Tourism Awards, soundly beating all other states. This sounds wonderful, and it is – except that many such developments are situated in national parks, alongside logging – and most awards were at the top end of the market. And no prizes for guessing who has a near monopoly of this top-of-the-market tourism. Yes, Federal Hotels. In addition to Tasmania’s

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two casinos and the super-upmarket Saffire, Federal owns the Henry Jones Art Hotel, Cradle Mountain Chateau and The Strahan Village. They did own the West Coast Abt Railway until it became too much of a nuisance for them to maintain so they unloaded it. With this stranglehold on top end tourism and the gambling market, people were more than a little outraged when Federal demanded an early and indefinite extension of their gaming monopoly in order to give 'certainty' to their proposed investment of \$100 million into its Hobart and Launceston casinos and a new luxury hotel in Port Arthur. If no monopoly extension, no investment. This seemed a bit rich for a corporation whose livelihood depended on creating uncertainty in highly disadvantaged problem gamblers.

Reading Boyce's book one becomes increasingly incredulous at how this corrupt game continued for so long. First Labor, then both parties, joined in giving one corporation a total monopoly of a highly damaging form of gambling. No competition, no market forces here: just an exclusive present to a favoured company.

In a surprise development prior to the 2018 election, Labor leader Rebecca White said the Labor Party would abolish poker machines in pubs and clubs, and provide \$55 million for pubs and clubs to diversify for instance as community centres. The Liberals' reply was to accuse Labor of 'nanny-statism'. They proposed reissuing licences free of charge, allowing the Farrells to keep 30%, handing 12% to Dixon Hotels, 11% to Michael Best's Goodstone Group, and 12% to Woolworths. Relatively few local hotels were cut in on this deal which would be solid until 2042. Hodgman claimed '99.5 percent of Tasmanians gamble responsibly' contrary to evidence that at least 15% of pokie players become addicted. He said the job losses in Labor's plan would be over 5,000, the Treasury said the real figure was 1,038.

When Labor announced its policy Farrell said they could no longer expect any donations, but gave a huge unspecified amount to the Liberals. Under Tasmanian law we are not allowed to know the amount given until months after the election. Hodgman's acceptance of Federal's generosity to the Liberals was chilling:

when corporate or other interests hand over cash to a political party they are entitled to expect that it will act in their interests.

Accordingly the Liberals ran a hugely expensive and aggressive campaign. Then out of the blue the day before the election, the Liberals said they would introduce legislation that would legalise all semi-automatic firearms, gun silences, and lessen penalties for storing weapons, in defiance of the national agreement made after the Port Arthur massacre.

The day after the election, Hodgman further announced that there were 200 more policies that had not been announced to the public and that he had a mandate to enact all of them. It turned out that one of those policies was a \$6.8 million present to the hardworking

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members of the hospitality sector for their sterling efforts in working against Labor's poker machine policy.

All this mendacity, secrecy and bribery gave Hodgman majority government on March 3, 2018. The Tasmanian Government had been bought by the poker machines lobby and democracy had been sold.

A Mt Wellington/kunanyi Cable Car?

A cable car from Hobart suburbs to the pinnacle of Mt Wellington has been mooted since the turn of last century but it has always been turned down because it would be an ugly blot on a highly cherished landscape overlooking Hobart, it would be impracticable because of the frequency of high winds, and simply uneconomic with Hobart's population. That is, until an Adrian Bold made a cable car his ambition, and formed the Mt Wellington Cable Car Company. Bold is friends with senior Liberals in the Hodgman government and has been granted licences, and not only access to Crown Land but financial support, all without any proper public consultation.

The Company wanted to start from Cascade Brewery as a base but despite a last minute pre-election grant from the Government to Carlton and United who own the Brewery, C&A have not granted permission. Instead, MWCC started initial works on Old Farm Road adjacent to the Brewery. That was a step too far even for the Liberals as it violated the approvals given so far by The Government and Minister Gutwein withdrew support for the existing proposal but asked for a new one, which he could pass more easily.

A massive protest was held on May 6, 2018, drawing an unprecedented 5,000 protestors to Cascade Gardens. It is early stages yet, but here is another example of crony capitalism setting fair to divide the Tasmanian community as much as did the Gunns pulp mill.

Had there been genuine public consultation, openness about plans, no secret deals, no unauthorised actions by MWCC, willingness by MWCC to entertain different approaches for the cable car from the side of the mountain, all the nastiness that is currently brewing more might have avoided – and it would be likely that a cable car might already be under construction. The parallel to Gunn's pulp mill is very strong. Had Gay and Lennon played that openly and according to due process a pulp mill might very well exist today.

Bold is not the only one to be gifted public land; several mate developers have been given or have been promised prime spots in national parks so that they can make a fast buck. A plan for a fly-in, fly-out 'luxury standing cam' run by a fly-fishing company in Tasmania's remote central highlands is in the final stages of approval, despite concerns over its suitability and the process. A cable car in the Cradle Mountain park is also mooted. None of those have been open to public inspection or comment.

But that is not the way crony capitalism works.

Ducks on a string

When Tim Costello came to Hobart to launch Boyce's *Losing Streak* he first met with several politicians to discuss the problem of high intensity gaming machines. He was struck with two things that seemed to differentiate Tasmanian politicians from those on the Mainland. First, there was strong reluctance to discuss the substantive issues around problem gambling. Politicians avoided discussing the problem gambling with things like, 'but the Farrells are such a *nice* family', 'they support charities in Tasmania'. Second, Costello noticed a feeling of intimacy between politicians that crossed the major party divide. It was as if politicians didn't see themselves as Labor or Liberal, but as *elite Tasmanians* – and *this* is the way we do things here.

In Tasmania cronyism seems to be in the DNA, and is not seen as criminal or particularly corrupt. There are of course angry letters to the press and demonstrations by the deeply concerned, but the populace at large shrug 'what else can you expect from politicians?'

There is a story, probably apocryphal, that as a wild Tasmanian boy, Errol Flynn tied a piece of meat to the end of a long piece of string and fed it to a duck. It duly excreted the meat with the string attached; Flynn attached another piece of meat to the string and fed it to another duck, and so on until he had a line of ducks threaded bill-to-arse on the same length of string.

Let us say the string has several strands representing forestry operations, salmon farming and poker machines and whatever else is on the agenda for rich mates, and let us call the ducks successive Tasmanian governments. Here is a nice metaphor for crony capitalism in Tasmania, the ordure streaked thread that has been running through Tasmanian politics over the past forty years.

PART IV: SOCIAL DEMOCRACY

CHAPTER 10**WHY HAVE SCANDINAVIA AND NEW ZEALAND GOT IT RIGHT
AND WE HAVEN'T?⁸⁶**

Recently I spent some time in Denmark, Sweden and Norway. Apart from being impressed by the scenery, natural and man-made, I was especially impressed by the facts that:

1. Expensive infrastructure of public transport, roads, tunnels, bridges and communications serves even small, remote communities.
2. All are committed welfare states; health and education to tertiary level are free and pensions generous.
3. I saw no obese children. Not one.

Returning home I did some homework and learned that several surveys have shown that indices of wellbeing and happiness are far higher in Scandinavian countries than in Australia, and that Scandinavian people have much greater trust in politicians and in police than we do. Further, as Transparency International consistently finds over the years, Denmark, Sweden and Norway have the least amount of corruption compared to other countries.⁸⁷

How can we account for this? The most obvious difference between Scandinavian countries and Australia – forget climate for the present discussion – is our respective political systems. While there are differences between the three Scandinavian countries themselves (omitting Finland and Iceland), the similarities are greater and I shall therefore lump them together for comparisons with Australia. The populations of the three Scandinavian countries are: Denmark 5.7 million, Norway 5 million and Sweden 10 million, totalling around 21 million, as compared with Australia's 23 million.

There are two aspects to this comparison between political systems: structural differences in the way the systems work, and policy differences.

Structural differences

Scandinavian countries are multiparty systems and it is rare for a single party to hold an absolute majority. Australian politics is designed as a two-party system, despite the existence of minor parties and independents. A majority government of Labor or Liberal is considered the right way for the system to work, and where that doesn't happen parliament is said to be 'hung', as if the life of good governance is slowly being strangled.

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However, where one major party has an absolute majority in both houses, they are in effect granted open slather to do whatever they want to do: the opposition and other MPs are simply dealt out of the game until next election. As one-time Tasmanian Premier Paul Lennon put it, he had a mandate to do whatever he thought best for Tasmania and if Tasmanians didn't like it, they could chuck him at the next election. He is not the only politician to confuse democracy with serial autocracy. When it comes to the crunch, only cabinet, or the prime minister alone if he makes captain's calls, have any real decision-making power. The rank and file almost always back what the inner few decide. In that case, backbenchers, who are supposed to represent their electorate, are a waste of space and resources. If all backbenchers were sacked it wouldn't make a scrap of difference to parliamentary outcomes. And just think of the money sacking all those redundant politicians would save! As things are, we have government by oligarchy at the cost of government by democracy. In practice this is not even a two-party system but one party rule, with the defeated party sniping away at the sidelines until their turn comes for one-party rule.

The preselection of candidates in the two-party system is intrinsically undemocratic. We ordinary voters are forced to vote for the candidates that have been preselected for us, not for the candidate we think might best represent us. Our elections and Chinese elections are the same in this respect. The people of Hong Kong vote for candidates selected by Beijing who will behave as Beijing dictates. Western countries rightly decry this, but many Western countries do exactly the same, Australia especially. Preselected candidates vote the way they are told to, just as Hong Kong politicians do. There is no difference on that point.

One frequent consequence in a two-party system is that in an election campaign the opposition party is policy light. Instead of developing alternative policies it is simpler instead to dwell on how absolutely terrible the current government is. Election campaigns thus dwell on negativity not on positive initiatives that present an alternative for the electorate to choose. Abbott went further; he banked on Labor's unpopularity by promising to undo everything they had put in place. What a travesty of good government; yet sufficient of the electorate voted in the promise of such destructive, mindless legislation.

This virtually unchecked power of the ruling party clearly opens the door to corruption because it provides a focus for lobbying and political donations that are intended to influence decision-making: seen at its absolute worse in US politics (see p.). Massive donations to the Liberal Party in Tasmania by gambling giants saw that government returned when they didn't deserve to after a poor record of incompetence, doing mates' deals and secrecy. Uncapped or non-accountable political donations distort the question of whose interests a party is governing for. For example, we know that the fossil fuel and mining industries donate massively to both parties, especially to the Liberal Party. Thus, legislation and taxing policies strongly favoured the interests of these industries, with strong

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discouragement of alternative and cheaper energy sources. In multiparty governments, if no one party has this kind of power, corruption is much less likely (see footnote 75).

Two-party government emerged from the simpler world of the 18th century giving rise to the Westminster system of government. The difference between the parties in a two party system is basically a left-right divide. The left-right dichotomy however is not a good fit to a society in which large subgroups of people have different concerns, needs and values. There are other important things that good governance of our complex society needs to attend to: climate change, mass migration, the catastrophic implications of nuclear war (now ramped up by the US to Cold War levels), corporatisation that straddles national borders, cheap foreign labour creating unemployment in first world countries and pillaged resources in the developing world, diminishing non-renewable resources when there is increasing demand for them. Handling all these, plus many other issues, is beyond the competence of a two-party system, where the chief preoccupation is for each party to argue that the other side's solutions are wrong. Bipartisan support used to occur but is rare today, except shamefully on the treatment of asylum seekers.

The power and interests of any one party dwindle in the presence of several other parties, allowing politicians to concentrate more on legislating for the interests of the people. Legislative decisions have to be made through discussion and negotiation between parties, a procedure that focuses on producing outcomes that have been discussed from different perspectives. Legislation is therefore more carefully considered and nuanced, and the consequences of proposed legislation studied and analysed, than in two-party systems.

The design of the parliament reflects these differences between two-party and multiparty systems. In Westminster systems the two parties face each other across a divide, which invites confrontation, whereas Scandinavian politicians sit in a semi-circle all facing a president and usually five vice presidents. In Norway, the unicameral parliament has 169 members, and is elected every four years, based on proportional representation. There is no upper house, but where people trust their parliamentarians, an upper house of review in order to keep the bastards honest is deemed unnecessary. It also allows legislation to take effect quickly, whereas in Australia a negative Senate can stall legislation and governance itself – but when the legislation is hasty and poorly conceived it should be stalled and reconsidered.

Another bonus at least in Denmark is that electioneering is limited to three weeks, which means that for the greater part of the year politicians can get on with governing rather than scoring points in election-mode the year round. And short election campaigns save a lot of money.

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Scandinavian politicians are probably not more honest or less corruptible as people than are Australian politicians, but the respective structures of their respective systems elicit or encourage quite different kinds of behaviour.

Policy differences

All Scandinavian countries are social democracies to a greater or a lesser extent. They agree to ensure the universal provision of basic human rights, to a welfare state, to promote social mobility, gender equality, egalitarian and extensive benefit levels; they subscribe to the doctrine of 'all men's rights', which means that whether you live in an urban or a rural area you have the same rights of access to essential infrastructure. Health and education are free, public housing is readily available and pensions are such that the disabled and retirees can live in comfort and dignity. The State pays maternity and paternity leave, the latter taking over when mum's leave runs out. Such leave is paid at a high fraction of usual salary, while pensions are a high fraction of last salary before retirement.

Scandinavian countries also agree in stabilizing the economy, alongside a commitment to free trade, maximizing labour force participation, and liberal use of expansionary fiscal policy. Social democracies of course value economic returns, but they consider that the way to do this is by maximizing the number of people on wages so that there is more money circulating. Obviously, the more people paying taxes the better for the economy. The neoliberal way is to reduce the workforce, minimise wages in order to push up profits, and encourage financial speculation with those profits rather than production.

In all countries with neoliberal governments the gap between rich and poor is high and increasing, while in Scandinavian countries the gap is much narrower – and would be much more so except for the fact a few Scandinavian industrialists are extremely wealthy. Ignoring those few, the gap between highest and lowest paid is small by our standards.

In sum, Scandinavian countries explicitly legislate for the health and welfare of their citizens, while neoliberal governments legislate almost entirely for the benefit of the already wealthy. The irony is that all Scandinavian social democracies are doing *better* economically than Australia is. By way of example let's take the way Norway and Australia reacted to their creation of huge surpluses: Norway through North Sea oil, Australia through iron ore. Norway created a Futures Fund that is now valued at nearly \$900 billion and is intended to keep the country and its population going, with special reference to pensions, when North Sea oil runs out. The Fund's investments comprise 1% of all the stocks and bonds in the world; a committee ensures investments are ethical, the Fund having divested itself of tobacco, munitions and most recently fossil fuels. As Norwegian economist Eirik Wekre said: 'We cannot spend this money now; it would be stealing from future generations.'

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Australia dealt with the huge income from iron ore profits by giving massive corporate and income tax cuts that in the way of a progressive tax benefitted the rich far more than the poor. Predictably, when the downturn came, as it inevitably did, Australia was heading for a deficit, West Australia particularly being left heavily in debt. The Norwegian way was rational, ethical and humane, the Australian way greedy and monumentally short-sighted if not downright stupid.

Norway's infrastructure does not however depend entirely on taxation or the Futures Fund. Tromsø had a traffic problem, particular in winter when the roads iced over, so they built an underground network of roads, like a metro, with several exits and underground interchanges. I was reminded of Hobart's traffic problems and a proposal for a traffic tunnel that would leave the city and the waterfront connected. Pie in the sky, way too expensive, the critics scoffed. Well, Tromsø is one quarter the size of Hobart yet they financed a much more ambitious scheme very simply: every litre of petrol sold scored a surcharge of half a kroner, or roughly 10c, which paid for the project. Or take Bergen, two thirds the size of Hobart. They have light rail, ferries, roads and bridges crossing over and under fjords, far more difficult terrain than the level shores of our simple Derwent.

Now for that matter of obesity. Under neoliberalism, deregulation allows markets to operate freely so that business can maximise profits. Thus, fast food chains and suburban liquor outlets are allowed to open even in places where they will do most social and personal harm; attempts to restrict gambling, labelling requirements for food are disallowed or not enforced; advertising for fast foods is allowed in peak hours – for maximising profits is what neoliberalism is about. The Scandinavian countries on the other hand regulate in the interests of the people, including their health, so that such things as the sale of alcohol and fast food, and advertising in prime time, are regulated.

Thus, the absence of obesity especially in children is easy to understand. We could do that too, but cries of 'nanny state' from the right cut through common sense.

Many economists and more politicians have adopted Thatcher's mantra of TINA: 'There Is No Alternative!' Well, the Scandinavians have shown very clearly that there *is* an alternative: it is called an enlightened social democracy.

Then there's the question of taxation

The downside to the Scandinavian model – if it is one – is that taxes are higher. We in Australia have a culture of regarding taxes as an unwarranted impost and to be minimised, or better still avoided, wherever possible. In the eyes of all but the most idealistic Australian politicians that settles the matter: to legislate in favour of higher taxes is to commit political suicide – or so it is assumed. However, according to Per Capita's 2014 Tax Survey, attitudes of Australians to taxation and government expenditure are changing. Most Australians

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believe they pay the right level of tax but would support more spending on health and education. They also think high income earners are not paying their fair share and would support higher taxes on the top 5% of income earners to fund improved services.

High taxes are especially anathema to neoliberals, as are deficits, which means that governmental expenditure on health, education and other services has to be cut to a minimum – except of course on defence and on those billions spent on incarcerating asylum seekers.

In Sweden, which has the highest taxation rate, income tax is progressive rising to 59.7% of income in the highest bracket (I can remember 60% in Australia in the 70s), the VAT rate varies according to item at 25%, 12% or 6%; there are no tax breaks for the well-off such as superannuation, capital gains tax and negative gearing. Compared to our income tax rates, the Scandinavian tax rates sound wildly unaffordable.

But Scandinavians *prefer* higher taxes because once they have paid their tax they don't have to pay anything for health care, education, liveable pensions, decent public transport and so on. It's rather like those cruises that charge higher fares, but once on board there are no further expenses: all drinks, meals, even tips, everything, are 'free'. They are not free of course for you have already paid for all that, but it feels good. And that's the Scandinavian experience: once the taxes have been paid they have so much less to worry about in case of accidents or emergencies. And that feels good, as the surveys confirm.

Now for the question

Scandinavian politics are so much better for their citizens than Australian politics are for ours, on two counts.

Structurally their multiparty system minimises playing party politics and instead they get on with governing, whereas a two-party system maximizes party game-playing frequently at the expense of governing. The very design of Scandinavian parliaments facilitates discussion and negotiation, while the confrontational design of Australian parliaments encourages 'the boys' shouting match', as one female Liberal politician recently put it.

In terms of policy, Australian and Scandinavian parliaments address different issues. Neoliberal governments are all about deregulation, laissez-faire economics and budget surpluses coupled with the bizarre demand for lower taxes that benefit the rich most. All those massive profits are taken out of the local economy and channelled through to the already rich. There is less cash flow-through, so the economy as a whole is worse off. That usually means higher unemployment because less money is flowing through the system: those making the profits are keeping them while outlays of money are minimised for the public sector.

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Let us then look at the relationship between unemployment and economic policy in neoliberal governments and Scandinavian governments. Although Norway and Denmark have recently swung to the centre-right, they still have high taxes and public expenditure is high so that more money is circulating in these countries. This must lead to lower levels of unemployment than in a low tax, low expenditure country like Australia. The unemployment and underemployment (including those forced to take part-time jobs) figures are as follows:

	Unemployment	Underemployment	Total
Norway	4.6%	1.1%	5.7%
Denmark	6.0%	2.5%	8.5%
Sweden	7.2%	3.2%	10.5%
Australia	6.0%	7.6%	13.6%

Taking the straight unemployment figures, Norway's are quite low, while Denmark and Australia are the same, with Sweden higher than both. But now take underemployment. The underemployed are those in part-time jobs and highly qualified people doing menial jobs; they have no sick leave, superannuation, or holidays. Now the picture becomes clearer, with Australian underemployment more than double that of any of the Scandinavian countries, and Norway the lowest on all counts. Actually the true picture in Australia is worse because the above figures are from official sources, which are almost certainly underestimates as many underprivileged people don't even register as unemployed, or they simply work on a cash basis no questions asked. Also Australia has 105,237 homeless people and unemployed to the second and third generation, all of whom would almost certainly not be represented in the official figures. Being welfare states, there are fewer homeless and unemployed so the Scandinavian figures are likely to represent the actual situation more accurately.

Thus, having free-market neoliberal-lite governments, as in today's Norway and Denmark, does not necessarily mean that a generous welfare state is not possible, albeit with higher taxes. The lesson for Australia is that it is indeed possible to be both pro-business and to be kind to the general populace.

Malcolm Turnbull, please note.

The case of New Zealand

Let me now compare Australia's situation with that of near neighbor New Zealand, which until recently had neoliberal governments for several terms.

The ABC News (10 December, 2016) started with headline: 'New Zealand's political stability in stark contrast to Australia's shakes and shifts'. In his fourth term, Prime Minister John

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Key announced his retirement midterm in December 2016, to be with his family. He was only the second prime minister this century, compared to our six changes of prime minister. New Zealand is doing exceptionally well economically, the budget estimated to be \$461 million in surplus, this and the stability of government has boosted business confidence both nationally and internationally; exports are doing very well especially in food, wine and tourism, and a working welfare system financed from tax with a maximum tax rate of only 33 per cent at \$70,000+. Unemployment rate in the last quarter of 2016 was 4.9 per cent compared to Australia's nearly 6 per cent.

Further the ABC commented that New Zealand reveals 'a mood of cooperation not seen in Australia.' The two major parties National and Labour work together to get the best outcomes; they compromise rather than loudly attacking the other side. When interviewed in the street 'no-one was grumbling. No diatribe about lazy, dishonest politicians or journalists for that matter: 'People seemed pretty content.' The biggest worry was not how badly politicians were performing but the more prescient problem of earthquakes.

When Key retired a close run election found Labour's Jacinda Adern as prime minister, hopefully to the embarrassment of Julie Bishop who had unwisely blurted she 'would find it difficult working with a Labour Prime Minister of New Zealand.' In contrast, as symbolized in Bishop's petulance, our politicians have let us down badly. First Howard had met the challenge from Pauline Hanson in 1996 by moving right and enveloping many of her policies. He then got us into the war in Iraq to foster his relationship with George W. Bush. A decade of economic growth due very largely to the mining boom was squandered in tax cuts. Kevin Rudd was going to save the world by tackling climate change but squibbed it when he had the chance to act. He was swiftly replaced by Julia Gillard, who despite having a minority government and suffering continual misogynous attacks, got through more positive bills relating to health and education than any prime minister in recent memory. Then unaccountably we had the hapless Rudd again who made such a mess of things that the 2013 election was a lay down misère for Abbott. He managed to scare the pants off the public with his 2014 Budget but got virtually nothing through the Senate. He was replaced with Malcolm Turnbull to rapturous expectancy by the public which as we saw in Chapter 5 has been a massive disappointment. What had we done to deserve all that?

This huge difference between the performances of our two countries might at first be seen to be due to the fact that New Zealand, like Scandinavian countries, does not have an upper house. This puts pressure on politicians to get it right first time, which may account for the mood of cooperation between parties. But that is not how it would work in Australia. Imagine a Howard or an Abbott sitting down with Julia Gillard or Kevin Rudd to work things through cooperatively, or a Turnbull with Shorten! The fact that we do have an upper house is precisely because we feel we need a check on goodness knows what horrors an unchecked lower house might get up to. Practically speaking, a one house system, almost

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always in New Zealand with an alliance with a minor party, means that they avoid problems with an upper house. In our case the upper house virtually crippled the Abbott and Turnbull governments – and just as well. Beyond that our federal government has to contend with states, which does not apply to New Zealand. So all up, a New Zealand government has a clearer path to take in running the country.

Could the personalities of our respective politicians and leaders have anything to do with the importance of an upper house? After the confrontational Piggy Muldoon, New Zealand has had a number of good leaders, both National (Conservative) and Labor, starting with David Lange who stood up to US bullying with his refusal to allow nuclear-armed ships into New Zealand waters, a policy that New Zealand continues to this day. The policy surely displeased the United States and Australia, but it pleased New Zealanders no end. Helen Clark was the first female prime minister and had three terms, her strong points were international relations and social welfare (to the point she was criticised for creating – dreadful words – a ‘nanny state’). John Keys was a strong neoliberal but he kept the budget in surplus while maintaining social welfare and housing programmes. He must have been a nice guy, for he was popular with both sides of politics. If ‘niceness’ is an issue in politics perhaps it is significant that strong neoliberal governments like Key’s can still take a humane attitude to asylum seekers. They offered to take some of our Manus and Nauru detainees, which is what our government wanted, but they still refused because those terrible asylum seekers might then come in to Australia via the Tasman backdoor. That alone tells us who the nice guys are and who are the bastards.

I wonder why it is that in New Zealand nice guys seem to rise to the top whereas in Australia they rarely do. With us, it is usually aggressive and ambitious people who put party politics ahead of the national welfare: our system of pre-selection of candidates and the role of factional politics encourages that. This means, as Kevin Rudd and Maxine McKew found out, that if you want to be endorsed you have to be supported by a faction that then tells you how to play the political game – and if you want to survive you had better do what you have been told. Factional and party interests thus over-ride national and international interests.

So where does Australia stand

This comparison of Scandinavian and to a lesser extent New Zealand politics shows Australian politics in a very poor light. It would strongly suggest that our system of governance is distorted: the insistence on a two-party system and its resulting factional politics, the very structure of Parliament itself, encourages politicians to behave badly and self-interestedly. Hard core neoliberalism is certainly a factor in our case, causing huge inequity and resentment in the community, but Norway, Denmark and New Zealand all show that neoliberalism, if combined with a concern for social welfare, need not have such consequences.

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Another point is that multiparty social democracies can govern for equity, human rights *and* a thriving economy. Looking at that stark contrast between them and us one can only gasp in wonderment that Australians actually vote for their own poverty.

Thus, in terms of personal happiness and well-being, political stability, absence of corruption, and economic well-being, the European social democracies are doing far better than is Australia.

So to the question: How have Scandinavia and to an extent New Zealand got it right and we haven't?

According to the above, the answer is to make our government a genuine social democracy that would deliver the sort of society that we so badly need and I am sure that most people really want.

PART IV: BACK TO THE ENLIGHTENMENT?

CHAPTER 11**WHAT CONSTITUTES A GOOD GOVERNMENT?**

Since the Renaissance the Western world has been operating in the belief that progress towards a truly civilised society is made on the basis of reason and belief in the equality of all people, a movement collectively known as the Enlightenment. Politically, the Enlightenment might have inspired the American Declaration of Independence:

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.

The Declaration is however politically emptier than many people had thought. Thomas Jefferson, its principal author, admitted that it contained no original ideas, but was instead a statement of sentiments widely shared by supporters of the American Revolution, 'intended to be an expression of the American mind, and to give to that expression the proper tone and spirit called for by the occasion.'⁸⁸ It was contextual, a justification of becoming independent of English rule, not so much a blueprint for enlightened government.

The contradiction between the claim that 'all men are created equal' (for 'men' read 'mankind') and the existence of American slavery is obvious. As English abolitionist Thomas Day wrote: 'If there be an object truly ridiculous in nature, it is an American patriot, signing resolutions of independency with the one hand, and with the other brandishing a whip over his affrighted slaves.'⁸⁹ Abraham Lincoln nearly eighty years later recognised that the Declaration simply stated a right, not the enforcement of the right. He wanted to make the Declaration politically viable:

our republican robe is soiled and trailed in the dust.... Let us repurify it. Let us re-adopt the Declaration of Independence, and with it, the practices, and policy, which harmonize with it....⁹⁰

Unfortunately Lincoln was unable to succeed in that worthy aim. Trump's America is at the opposite end of any equality spectrum, as in many aspects is Turnbull's Australia, or indeed most other countries in the world. For a while, around the beginning of the last century, Australia was leading most other countries in Enlightenment thinking, such as narrowing the gap between rich and poor, and in ideals of fairness and universal suffrage – but only as long as one was white.

The Declaration of Independence gives a broad aim of enlightened governance, equality. The other arm of the Enlightenment is the way of reason, which suggests that how to

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achieve that equality is through transparent, evidence-based policy-making that applies to all; no dogma, no captain's calls.

Modern governance needs to involve at least these four areas of concern:

1. Growing the economy
2. Legislating for the social good of all citizens
3. Maintaining environmental sustainability
4. Being a good global citizen, dealing peaceably and equitably with other nations.

Good governance means addressing a reasonable balance between these concerns. For example, focusing too heavily on growing the economy using non-renewable resources is not sustainable, nor is it likely to be fair to large groups of citizens or to other countries. However, what is a 'reasonable' balance depends on who is asking the question, and it shouldn't depend on that. What is reasonable must depend on the issue of equality: taken together these determine what kind of governance achieves the enlightenment ideal.

Donald Trump for example would say the best balance is that which most benefits him, his family, his rich friends and other people he wants to impress. The system best likely to achieve that is dictatorship or oligarchy. As we have seen Trump is achieving that within a so-called democracy by stacking the courts, ignoring checks and balances, due process and appointing spoilers to agencies likely to get in his way, such as the Environmental Protection Agency, renewable energy interests, and the like.

By the same token, Milton Friedman claimed that free markets and free trade would lead to more individual liberty and well-being, and to a more efficient allocation of resources. However, focusing just on the economy, with all the neoliberal mechanisms that are brought to bear, harms the welfare of less advantaged citizens, harms the environment and prevents good global citizenship.

These emphases are relative. Scandinavian countries have free market economies but with high taxes provide good social welfare that benefits all citizens. In most neoliberal countries this is not the case. Taxes are cut and so social services wither; growing economies using non-renewable resources inevitably means the environment suffers. The corporate world finds that fair from their point of view but the majority of citizens do not.

Somewhere in between Trumpism and neoliberalism, both of which legislate in favour of the corporate world, is crony capitalism, where a run-of-the-mill government gives particular favourites in the business community special treatment in the form of 'mate's deals'. Usually, there is a touch of the cargo cult here: the deal is sold to the public as solving economic problems whereas it exacerbates them. Enterprises make big money in the short term, at the expense of other sections of economy and of the environment, but such

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enterprises usually end in failure. Crony capitalism is particularly rife in smaller polities like Tasmania.

In all the above models, government puts business interests above all others, if in different ways. The economy is surely important but so are other matters that should be prioritised by governments, such as health and education.

So why do people vote against their interests?

Here a paradox arises: why do ordinary people, who benefit least, vote for neoliberal governments? They have no choice in two-party systems where both parties espouse neoliberal policies. Further, parties unashamedly use spin. Spin can be hidden with subtle lies such as ‘econobabble’⁹¹, which is misusing language and economic terms in order to deceive. For example, ‘market forces should guide the economy’ is nonsense: market forces don’t guide anything. It is rich people making market decisions to their own advantage who do the deciding. Outright lying is saying something without any evidence or even knowing the evidence is otherwise, such as ‘abolishing negative gearing would smash the economy and send house prices soaring.’ Unless people closely probe such statements they are likely to be believed when spoken by someone in authority.

Then there is the press. News Limited and the Murdoch press, which runs several media outlets including the once prestigious *Australian* and the UK *Times*, and the tabloids in nearly every Australian city, rarely if ever give a fair hearing to the left side of politics. Social media do not redress the balance. Although there is a large variety of opinions in blogs and news outlets online, people tend to settle on the one or ones that agree with their views: rarely do right wingers deliberately seek out left wing websites. Some do, but mostly people want to stay within their own comfort zone, thus reinforcing their existing political views

Multiparty or power-sharing government

Scandinavian systems are multi-party power-sharing systems so that issues are discussed and negotiated from different angles of interest, not just that of the currently dominant party. The outcomes are better – including economic outcomes – the citizens are happier and compared to other Western countries the politicians are more trusted. It is significant that the architecture of parliament in Scandinavian countries is semi-circular encouraging discussion and negotiation: not the oppositional Westminster design that fosters confrontation and argument rather than discussion.

Political commentator Laura Tingle notes:

In countries from Norway to New Zealand ... minority government (has) become a permanent feature of the political landscape. New Zealand’s political parties have had to strike very different negotiating arrangements, and accept that they have to

work, long before policy options come up before parliament. The result is pragmatism rather than 'oppositionism' ... while Australia's capacity to conduct a grown-up debate about almost anything has stalled.⁹²

As noted earlier, Australia's two party system creates such oppositionism. Whether Dennis's refurbished system with a bill of rights and other checks and balances would fix our problems is a possibility⁹³, as is minority government as suggest by Tingle above.

However, these governments still rely on political parties, so let us look briefly at alternative systems that work on issues rather than on party policies.

Issues-based government

One alternative system of government minimises party rule by governing on issues. Something like issues-based government exists in Hong Kong, or rather used to exist but things are changing fast there and it is dangerous to generalise. Basically, the Legislative Council, which enacts legislation, comprises 35 members elected by citizens and who may be members of political parties, and 35 members elected by functional, occupation-based constituencies, such as education, health, business, transport, and so on. Decisions are made by politicians who are responsible for different sectors of the community, and are advised by experts on their respective portfolios. Our system of appointing a favoured politician (probably with a law degree) to the health portfolio seems in contrast just irresponsibly stupid, not to say arrogant on the part of the appointee to don the responsibility of making decisions in areas in which he or she is basically ignorant.

Elections can go horribly wrong as they did in the 2016 election that placed Trump in the Oval Office and in Australia, where Abbott was elected virtually as a protest again Labor. Belgian writer David Van Reybrouck in *Against Elections: The Case for Democracy*⁹⁴ concludes;

Elections are the fossil fuel of politics. Whereas once they gave democracy a huge boost, much like the boost oil gave the economy, it now turns out they cause colossal problems of their own.

Reybrouck discusses an alternative to elections which goes back to ancient Greece where citizens themselves (privileged males only) directly made decisions. That is not manageable in large populations but it is possible to use selected groups of citizens as happens in juries in court trials. This form of issues-based government is *sortition*, in which a panel of citizens is asked to consider a particular issue, reflect on evidence and arguments from both sides of the debate and reach a decision. The citizens could be empanelled in a variety of ways, the most democratic being random selection. The agenda of these citizen assemblies could be drawn up through public consultation, or by an elected chamber. Sortition curtails the power of political parties, because citizens would vote on issues on the basis of their

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reflections on evidence, rather than being whipped into line by a party leader, as elected party members are. Sortition would limit the influence of career politicians, because members of citizens' assemblies would be randomly chosen, and serve only once, making corruption less likely.

Contemporary versions of sortition would combine with an elected legislature. The lower house would be comprised of elected politicians; the upper house – the house of review – would be comprised of empanelled citizens and would thus be quite independent of the lower house – as a house of review should be. We have had endless problems in Australia with a party based Senate, especially when the governing party also has a majority in the Senate: then all sorts of bad legislation can be rushed through, as happened during John Howard's last term (and was largely responsible for his downfall). Alternatively a Senate comprising a nongovernment party majority can stall legislation rendering government ineffectual.

One worry with sortition-based decision making is that it gives the experts who create the briefing materials the power to frame the assembly's discussions. A balanced and fair-minded compilation of evidence and arguments is the key for citizen-based decision making, so this is an important challenge for advocates of sortition.

Another worry is that sortition has not been widely tried out in contemporary politics. Small scale examples have been used successfully in Canada, Bolivia and Denmark to provide input on particular issues, but its use on a wide scale of governance has yet to be tried. In theory it is very promising.

Where Enlightenment thinking comes in

Let us go back to that question of what is a 'reasonable' balance between the concerns for a government to attend to. That balance must not be for the benefit of a select rich few, as it is in neoliberal governments; nor should it be for the benefit of a political party. It must be for the benefit of *all* citizens. That is what is 'reasonable'. And the means by which that benefit is distributed is through fact, evidence and reasoned argument. In this way we have both of the two dimensions of the Enlightenment in operation.

The belief that all people are equal regardless of gender or ethnicity is ostensibly the foundation of democracy itself yet as we have seen many so-called democratic systems do not allow equality. For example, our two-party winner-takes-all system gives more power to one side of the polity – that side whose party is in majority government – than to those who voted for the opposition party. They must wait their turn to be in power. And for those who voted for neither party, tough luck. Preselection of candidates is usually done by party heavies and we lesser beings can only vote for those who have been selected for us to

consider. When China does that for Hong Kong elections we cry foul but that is exactly what happens in Australia.

Thus the balance between those four components of governance, and how well we achieve that balance, depends very much on how seriously we take that Scandinavian notion of 'all men's rights'. Political parties alone cannot do the job of balancing priorities optimally. A multi-party system does this better than a two-party system but the combination of a multi-party system and a sortition-based citizens council working cooperatively seems a very promising way to go.

An advantage of sortition is its flexibility. Using representatives of ordinary people ensures legislation is continually contextualised so that it will be more in line with what people think and value, thus reflecting the ever changing culture of society. In our current system career politicians can be quite out of touch with community thinking and values. The story of same sex marriage is a dramatic example of change in public thinking: a you've-got-to-be-joking view a decade ago, is decidedly mainstream today leaving conservative politicians way behind as they struggled to throw up obstructions to that legislation.

Changes in the culture of society have in the past been effected by leadership, particularly bipartisan leadership. This we saw work positively in the 1970s. With the White Australia Policy officially ending only in 1973, three years later we were accepting and resettling thousands of Vietnamese refugees in a bipartisan agreement. Yet in 1992, again in a bipartisan agreement under Paul Keating as PM, rights of life, liberty, and the pursuit of happiness, not to mention recognition of international law, were thrown out the window and mandatory detention was introduced for boat arrivals. This has worsened since, most notably through Immigration Minister Dutton stirring up racial hatreds, his latest beat up being those awful African gangs that terrorise respectable Melbournians as they go to restaurants.⁹⁵ This quite extraordinary series of turnarounds in only a few years is perhaps an indication of how powerful political leadership can be.

Those turnarounds occurred in a two-party system and depended too much on the personalities of the leaders who happened to be around at the time. Our major difficulty at the moment is that party structures encourage conflict and nastiness between politicians and the trickledown effect from that to the electorate is not good and is unlikely to achieve a stable culture change in positive directions.

We are undoubtedly in a bad space at the time of writing but this review would suggest that under the right government, with enlightened and Enlightenment thinking, we can do much better. A system that evolves from within society, that represents the different sections of society as much as possible, would be a more stable and more informed body with which to provide leadership.

* * *

In conclusion, the material reviewed in the above chapters suggests strongly that nominally two-party systems of government are unlikely to achieve prioritising of the concerns of government that optimises benefits to all citizens. Multi-party power-sharing governments seem more likely to achieve an optimal balance than two-party and more likely still with an issues-based citizens' council in the mix.

But how to get from where we are to that last position is a very difficult question. Those who can bring about that transition are the very ones who are most unlikely to do so. Politicians do not usually vote themselves out of their jobs.

But however we handle it, my earnest wish is that this book may contribute to more reasoned decision-making and a cooperative polity instead of one that is based on confrontation and self-interest.

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- a strong leader or small group of leaders with psychopathic tendencies;
- a culture of lying;
- rules by fiat and slogan;
- defines and maintains an underclass while redistributing wealth and power to an elite;
- filters information so that the government only receives advice it wants to hear;
- controls the media;
- nationalistic and militaristic;
- is a poor world neighbour;
- takes over industry and commerce;
- proposes to establish through violence a new ultra-nationalistic order.

A strong 'yes' to all, even the last. The violence is already there and the way Trump is defying the press and the law courts he does seem to be heading towards a new ultra-nationalistic order.

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⁶² <http://www.uow.edu.au/~bmartin/dissent/documents/sau/sau10.pdf>

⁶³ *University of the Future*,

[http://www.ey.com/Publication/vwLUAssets/University_of_the_future/\\$FILE/University_of_the_future_2012.pdf](http://www.ey.com/Publication/vwLUAssets/University_of_the_future/$FILE/University_of_the_future_2012.pdf)

⁶⁴ Glyn Davis, *The Australian Idea of a University*, Melbourne University Press, 2017

⁶⁵ John Ralston Saul, 'The reinvention of the world - It's broke: How can we fix it? The University of Tasmania, 27th August, 2012.

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⁶⁶ This Chapter is based on: http://tasmaniantimes.com/index.php?/weblog/article/the-usa-elections-and-our-broken-system/show_comments

⁶⁷ Hugh White, 'Without America: Australia in the New Asia', *Quarterly Essay*, Issue 68, 2017.

⁶⁸ Hugh White, *ibid.*

⁶⁹ *Ibid.*

⁷⁰ Watson, Don. 'American berserk' *The Monthly*, March 2017.

⁷¹ 'Raimond Gaita on Donald Trump's America: a cloud cuckoo land devoid of fact, evidence and argument'. *The Conversation* 16 November 2016.

Chapter 7

⁷² Bob Cheek, *Cheeky: Confessions of a Ferret Salesman*. Bob Cheek, Hobart, 2005.

⁷³ The 2011 census put forestry and forestry related jobs at 1.6 per cent, including wood product manufacturing and paper products.

⁷⁴ The full account of this saga is given by Quentin Beresford, *The Rise and Fall of Gunns Ltd.*, NewSouth Publishing, 2015

⁷⁵ Various polls report this figure from as low as 70 per cent to a high of 85 per cent (Buckman, G. *Tasmania's Wilderness Battles*. Crows Nest: Allen & Unwin, 2008, p. 119).

⁷⁶ G. Wells, 'Amos and Wells on Forest subsidies: Round 3' *Tasmanian Times*, 19 August, 2010 <http://tasmaniantimes.com/index.php?/article/amos-and-wells-on-forestry-subsidies-round-3/>

⁷⁷ *Mercury*, 23rd October 2008.

⁷⁸ SLAPP suits (Strategic Litigation Against Public Participation) are designed to silence public protests against unwanted development. The respondents face years of litigation, possible bankruptcy, and severe emotional stress. Gunns has now withdrawn charges against all defendants. The cost to Gunns so far in pursuing this case has been, on its own figures, \$2.8 million, including \$350,000 paid to The Wilderness Society, not to mention the public relations disaster for Gunns. For further information: Walters, B. *Slapping on the Writs: Defamation, Developers and Community Activism*. Sydney: University of New South Wales Press, 2003; Ogle, G. *Gagged: The Gunns 20 and Other Law Suits*. Canterbury, NSW: Envirobooks, 2009.

⁷⁹ Randall Doyle, 'Locking away our civil rights', *Mercury*, 5 February, 2016.

⁸⁰ This isn't to do specifically with governance in Tasmania. The absence of a Bill of Rights allows the viciously cruel acts relating to the treatment of asylum seekers and the scandalous breaches of freedom in the more extreme anti-terrorist laws, whereby a citizen can be secretly locked up at the whim of the Attorney-General without letting the family know and without legal representation.

Chapter 8

⁸¹ *Mercury*, March 1, 2017

⁸² *Mercury*, 30 May, 2018,

⁸³ James Boyce, *Losing Streak: How Tasmania was gamed by the gambling industry*, Redback, 2017.

⁸⁴ *Tasweekend*, 25-26 March, 2018

⁸⁵ [http://www.abc.net.au/news/2015-02-03/tasmanians-lose-more-than-\\$200m-on-pokies-in-13-months/6067018](http://www.abc.net.au/news/2015-02-03/tasmanians-lose-more-than-$200m-on-pokies-in-13-months/6067018)

Chapter 9

⁸⁶ Based on <http://tasmaniantimes.com/index.php/article/why-has-scandinavia-got-it-right-and-we-havent>

⁸⁷ https://www.google.com.au/search?q=Transparency+International&oq=Transparency+International&ags=chrome..69i57.7914482j0j3&sourceid=chrome&es_sm=122&ie=UTF-8

Chapter 10

⁸⁸ https://en.wikipedia.org/wiki/United_States_Declaration_of_Independence

⁸⁹ Op. cit.

⁹⁰ Op.cit.

⁹¹ Ricard Dennis, *Econobabble*, Redback Quarterly, 2016.

⁹² Laura Tingle, 'Wicked Problems: the rise and stall of Malcolm Turnbull', *The Monthly*, May 2017, p. 27.

⁹³ Dennis, Richard. *Dead Right: How neoliberalism has eaten itself and what comes next. Quarterly Essay*, Issue 70, 2018.

⁹⁴ Peter van Reybrouck, *Against Elections: The Case for Democracy*. Penguin Random House London, 2016

⁹⁵ Peter Brent, 'Peter Dutton for Prime Minister!' *Inside Story*, 12 January 2018.