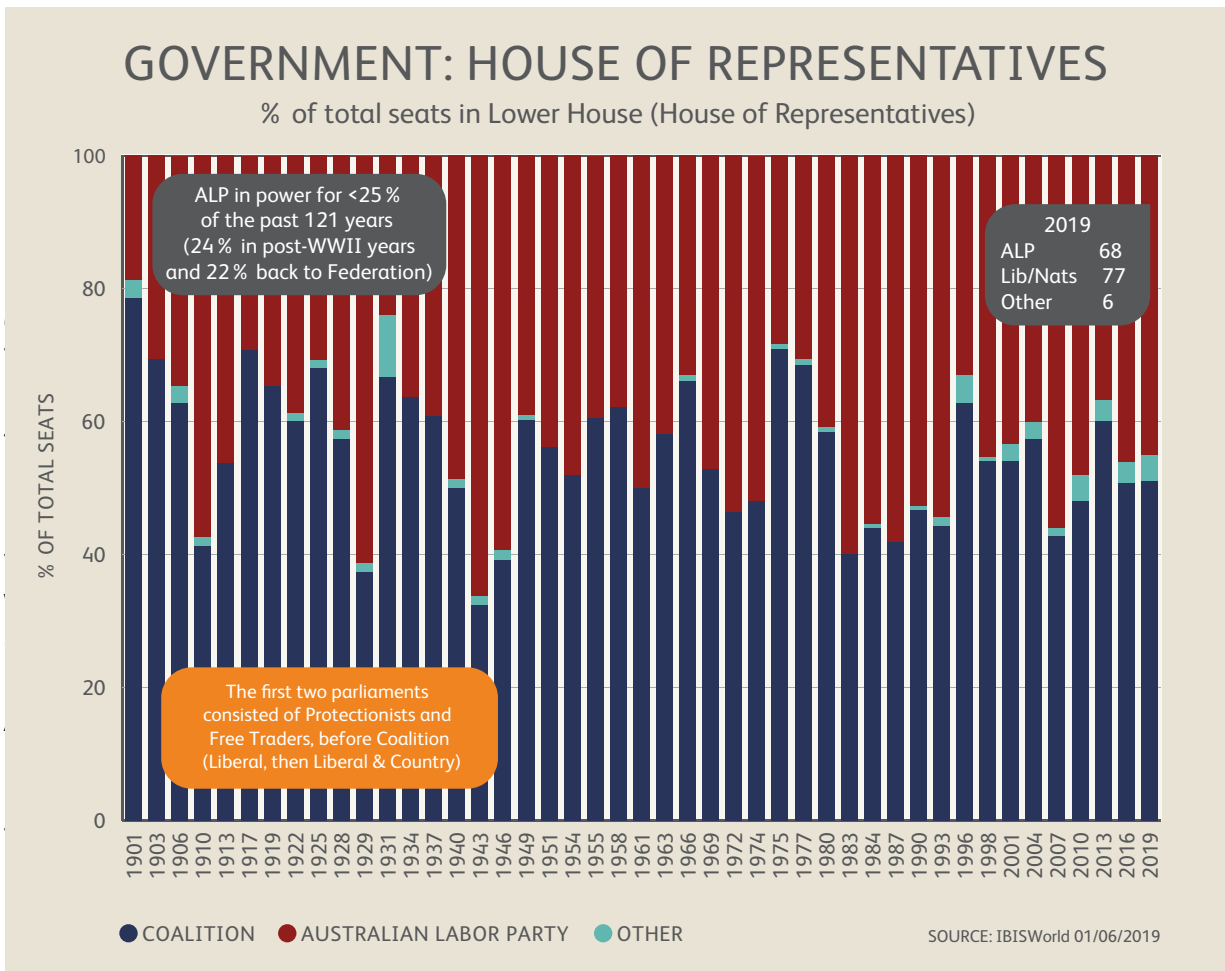


Governing Australia

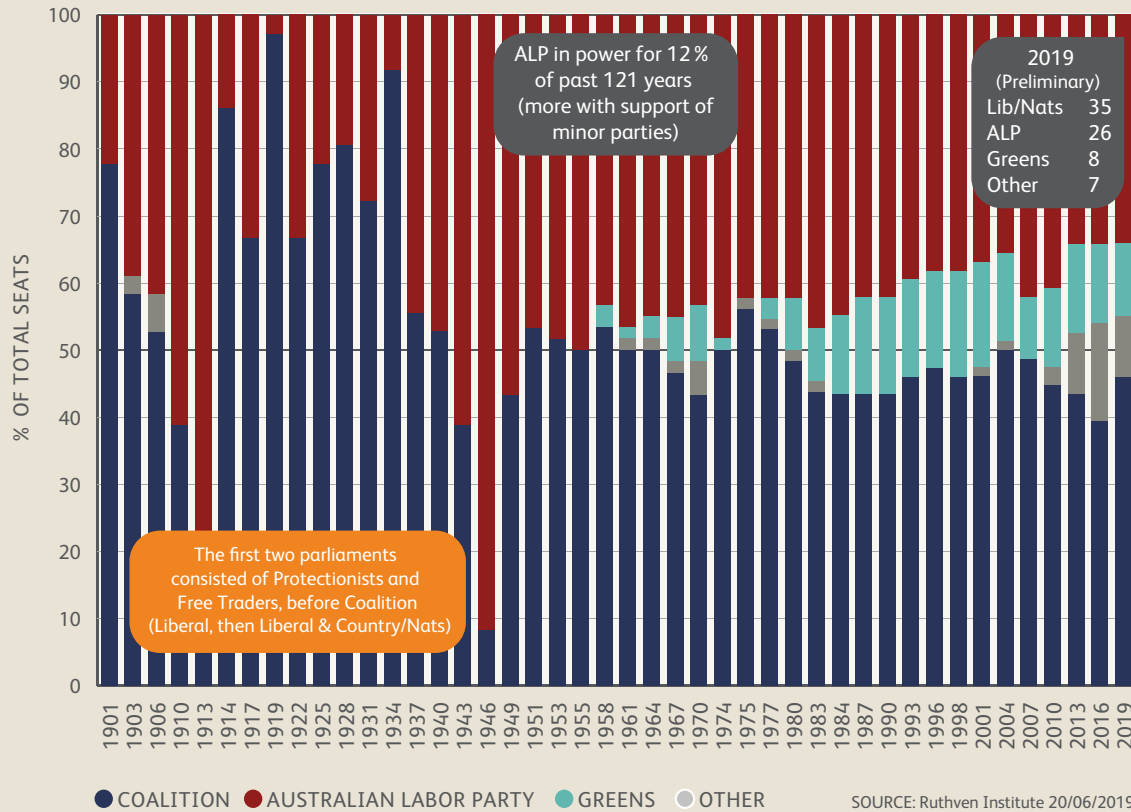
By Phil Ruthven AM, Founder IBISWorld

With the dust now settled after the May Federal Election, we can take stock of the state of the nation and its government to 2022. Firstly, the final results are shown below.



GOVERNMENT: SENATE

% of total seats in Upper House (Senate)



It is now passing into history how devastatingly wrong all the polls were, and how gut-wrenching the election loss was to the Labor Party, which believed the polls and misread the mood of the electorate.

Of consolation to the nation is that we seem to have escaped the deep division in political views troubling the United States, the United Kingdom and many other nations via populism and nationalism. Australia is a conservative-minded nation, made more so by continuous migration from troubled nations. In Australia, new settlers can build a life for themselves and their future generations.

However, the Australian Labor Party will now have governed the nation for less than 25% of the 121 years to 2022 since Federation in 1901, and controlled the Senate for a mere 12% of that time.

Then again, the term “govern” is a debatable term. The government in the House of Representatives—of whatever disposition—arguably does not govern the nation these days, given the veto power of the Senate, where neither major party has had a majority for four decades, except for a brief spell under the Howard Government’s 11-year tenure.

The Senate is not democratically elected, but given a fixed number of seats per state and territory regardless of population numbers. It was created to protect state interests, but became a politically-oriented house rather than a geographic one from Day 1, so to speak. Far from the intended review-of-legislation role, the Senate has become a troublesome and unrepresentative house of special interest and veto power. In this regard, our parliament does not follow the United Kingdom’s Westminster System where their upper house (the Lords with no democratic election) cannot veto a Bill, only review and delay them.

Until this impasse and undemocratic situation is resolved by a referendum, governing Australia will continue to be a seriously compromised affair with little chance of vision and reform at a time when we need them to secure our place in the new age of Asian economic growth, power and competition.

What we need to become a well-run nation is suggested below.

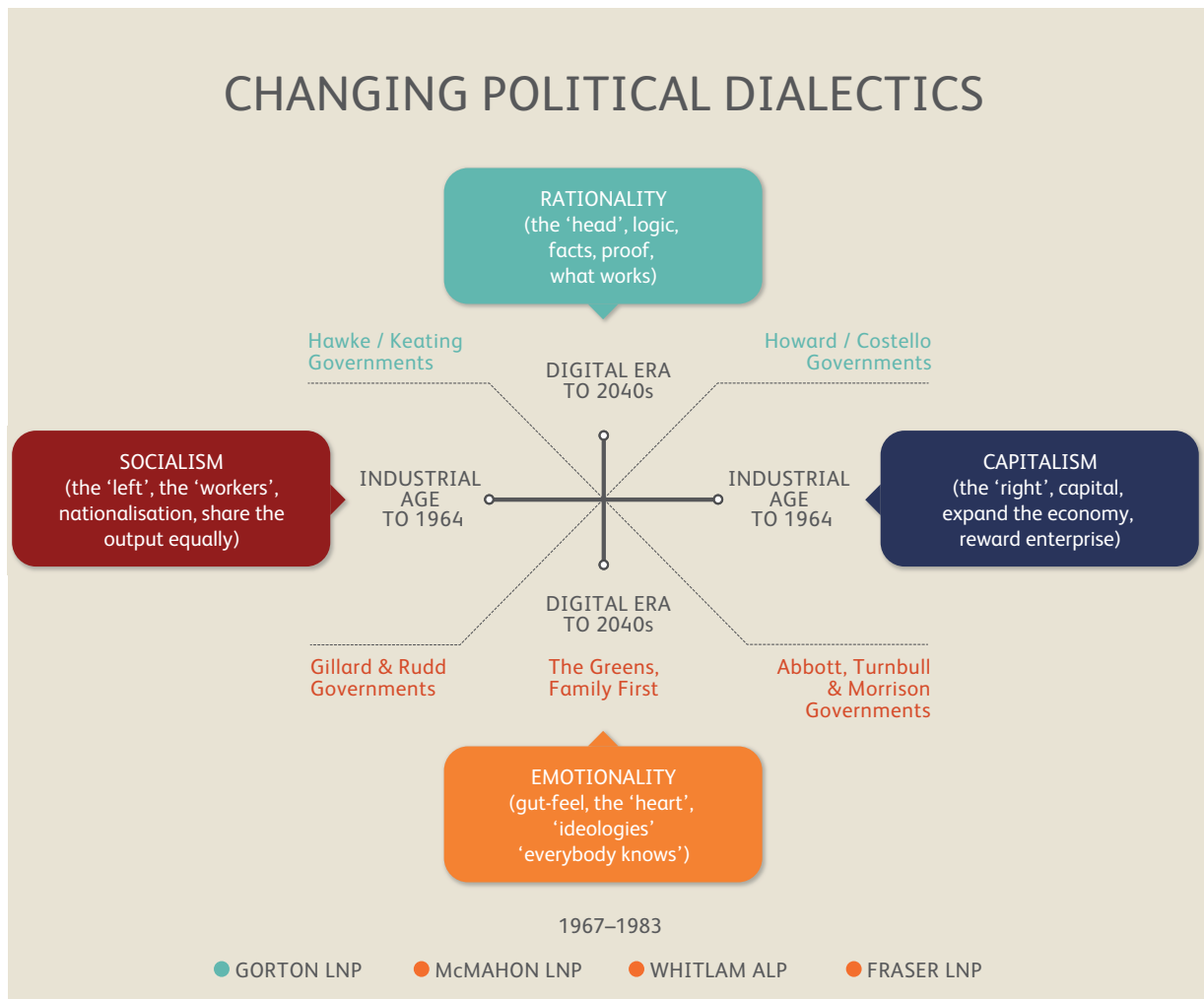
WHAT A WELL-RUN NATION NEEDS

1. Safety (from external or internal threats)
2. A cohesive secular society (free of discrimination of any kind)
3. A democratic government (with compulsory voting?)
4. A mostly happy and caring society (with welfare for the disadvantaged)
5. A healthy, well-educated and increasingly cultured population
6. A proud, unique and fun-loving nation (but free of jingoism)
7. Continual reform (social, economic and political)
8. Full employment (unemployment 5 % or less)
9. A rising standard of living (averaging 2 % per annum or more)
10. Low inflation (less than 3 %)
11. Fair interest rates (to depositors and borrowers alike – around 5 % real)
12. Productivity growth (around 2 % per annum)
13. A strong exchange rate
14. Balanced government budgets (and low national debt; less than 35 % of GDP)
15. A positive current account with the world (paying our own way)

SOURCE: IBISWorld 01/06/2019

Both houses of parliament would probably agree these goals are desirable, but satisfying special interests may get in the way. Additionally, the ways of getting to the end result of the broader goals are by no means in unison.

Ironically, the disputed means of running the country are no longer ideological according to the now long-gone socialism versus capitalism dialectic. Indeed, in the new fight between rationality and emotionality, the “logical” bit is missing, as shown in the exhibit below.



We have avoided adding an “ism” to these dialectic opponents!

Hopefully, the Morrison Government will move up to a rationality/capitalism position if not thwarted within the Coalition itself or the Senate. Early talks of overdue reforms is a positive.

Eventually, rationality will win most of the time. Otherwise, why educate our children to tertiary levels, encourage life-long learning and evidence-based decision making? Then again, not to have a splash or two of emotionality would make us humanoids rather than warm-blooded humans.

Around the world we are seeing emotionality (populism) and tyranny triumph in many advanced and developing nations. Thankfully, this triumph has not extended to Australia, except in our Senate and abetting a bit of far-right and far-left thinking in the lower house too.

Rationality will get its turn to run nations, but not until the extremes of populism have done enough damage to be rejected. Nevertheless, let's keep enough emotionality to preserve our humanness.

It will be an interesting journey to the next scheduled election in 2022.



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