

Queensland Government requesting increased federal health funding to compensate for the drain on its health services by PNG nationals.

From the national security perspective, while large, uncontrolled movements of PNG nationals across our borders presents serious risks in its own right, the nature of those movements is also of concern. In PNG, for example, AIDS infection is running at nearly one per cent of the adult population. This compares to an infection rate of 0.1 per cent in the Australian adult population. As a result, a large influx of PNG patients into the Torres Strait health system brings with it the increased risk of AIDS transmission into the Australian health system, particularly given that most health services in the Torres Strait region are delivered through relatively unsophisticated facilities. Although this risk may be unintended by those seeking health care, the result would be the same as intentional exposure by terrorists.

The bottom line of the foregoing is that we need a fundamental review of Australian policy towards PNG. Unless we do, we will continue to waste tens of millions of dollars in aid each year while at the same time exposing ourselves to serious security risks—risks potentially far more serious than, say, bombings in Bali. We will also be letting PNG down. While the memory of the Kokoda Track may not be relevant to where PNG is today, it is relevant to where we should want it to be tomorrow. Nor is it the fault of ordinary Papua New Guineans that our aid and their politicians have failed them.

#### NOTE

- 1 A readily accessible one may be found at: [[http://www.dfat.gov.au/geo/torres\\_strait/map.html](http://www.dfat.gov.au/geo/torres_strait/map.html)]

*Peter Urban is former chief economist with the Department of Foreign Affairs and Trade.*

IPA

# Tea Break or Mad Hatter's Tea Party?

JOHN HYDE

**I**T is not entirely clear whether anti-globalization protestors are bent on building the backlash against economic reform, convincing the legislators that it is bigger than it really is, or having fun. Nevertheless, since their apparent success by any of the three measures in Seattle in 1999 and certainly since the 1980s:

- fewer people are defending economic reform with consistent arguments;
- the determination of Australian governments to reform their respective economies has abated;
- the big-spending and big-taxing Howard Government has become prone to appeasing vested interests; and
- the ALP and the minor parties in the Senate are blocking reforms that the Hawke Government would once have championed.

Again persuaded more by noisy minorities and less by economic principle, our politicians have, as New Zealand's David Lange once put it, taken a 'tea break' from reform. Australian economic reform has, to date, been overwhelmingly successful, more is needed, and they justify their break about as convincingly as the Mad Hatter justified his tea party to Alice.

The Liberals and Labor have clearly been scared by the minor parties, but their response does not seem to address the principal grievance of the voters who

deserted them. When, following the 1983 election Labor (then in Government) and the Coalition (then in Opposition) began taking advice from conventional sources more seriously than before, One Nation, the Democrats and the Greens continued to offer the policies which economic theory and budgetary arithmetic disallow. A 1998 *IPA Backgrounder* showed that the minor parties were, for practical purposes, as one on foreign ownership, trade protection, re-regulating the financial sector, opposition to privatization, labour market regulation and reduced immigration—all areas where Labor or the Liberals were closer to each other than to the minors. The minors played 'catch' with the populist and protest vote, adding it to their core of genuine ideological support which, in the case of One Nation, was temporarily so considerable that something visceral was needed to account for it.

A little of the something was no doubt race, but if other upper blue-collar and rural electorates are like the one that I represented, only very little. Epithets such as 'red neck' and 'racist' hurt these electors, and both Labor and the Coalition fostered the attitudes that caused them to be so abused. But there was, I believe, something even more fundamental than that. I am reasonably confident that a feeling that their opinions did not count with officials who insisted on 'do's' and 'don'ts' that trivialized their values and disdained their

protests explains more—good old Marxian alienation! It was evident in the rural parts of my electorate even before I lost it in 1983. Many of these disenchanted people would have tolerated, some even welcomed, disagreement, but not the politically correct injunctions that denied their opinions a hearing.

My unstructured observations are borne out by a survey conducted by Katharine Betts. She identified resentment at the ‘cosmopolitan agenda’ with a tendency to vote against the proposed Republic. If the antipathy was strong enough to cause people to vote against a proposal that was but a small part of that ‘agenda’, it was surely sufficient to cause them to register a protest against the perceived perpetrators of it. A Parliamentary Library Research Paper quoting a study showing that the Hanson constituency was ‘disenchanted and feels disenfranchised’ also supported my opinion. If feeling alienated were not enough, when Hanson’s meetings were broken up by violent protests (some of which were televised), tens of thousands of voters must have turned to her in sympathy, protested against such behaviour or both. In due course, when the Hansonites made themselves look silly, some votes returned to the Coalition and Labor. I doubt, however, that many of the disenchanted even noticed the major parties’ tea break, or that their sucking up to vested interests won many more votes than it lost.

Some Liberals have blamed Kennett for their Victorian electoral debacle—it’s easier than blaming themselves—but the evidence that economic reform costs votes is at best equivocal. Hawke was re-elected twice, Kennett was also re-elected at the height of his reforming zeal and the record in New Zealand, the UK and the United States is similar. Reforming governments tend to lose elections when they get tired.

Of course, people who have lost, or might lose, privileges will say that economic reform is responsible for every political reversal too; but they would say that wouldn’t they!

Then how is it that people say that issues such as gun control, Telstra, tariffs or the labour market drive them? The next time your spouse implies that it’s time you stopped sulking, will you say, ‘You and the family don’t take me as seriously as I merit’, or will you refer her/him to some episode that is not the crux of your discontent? With

---

**People who have lost  
privileges will say  
that economic  
reform is responsible  
for every political  
reversal too;  
but they would say  
that wouldn’t they!**

---

opinion pollsters, too, people can articulate only concrete grievances and none come more readily to the tongue than those that have been carefully crafted and advertised by vested interests and zealots. I suggest that alienation is likely to be a much bigger cause of disgruntlement than surveys can show, and that other reasons are commensurately less important.

As long as vested interests have privileges to protect, opposition to economic reform will be organized. Of course, some honest idealists also oppose it, but when kids block the streets chanting slogans against the trade and investment that have done so much to reduce the pov-

erty of millions, they are either totally disingenuous or they have not given the evidence even a cursory glance. Self-serving interests, misguided idealists and the irresponsible young are facts of life with which Australians must live and not only because these cannot be avoided. One day we may have to look back (with whatever humility we can muster) upon what was at the time an apparently mindless protest and say, ‘It was right after all!’ I much prefer protest that is prosecuted by argument rather than by chanting and causing public nuisance, but without the right of public dissent our country would not be free and, I am sure, would soon become as inefficient as it would be corrupt.

What I cannot understand is why older people who have risen to positions of prominence have become too timid to defend the institutions that they know full well underpin all productive economies. Where, today, are the political leaders of the 1980s and early 1990s who, in word and deed, in government and in opposition, defended them? They might, today, with profit to the nation, turn up Hawke’s response to the Garnaut Report, the philosophical parts of *Fightback!* and Howard’s first Headland Speech.

Where, today, are the business leaders who in 1993 signed off on the BCA publication, *Australia 2010*? At a time when corporations are prone to make common cause with the forces that turn up at anti-globalization rallies, it bears a thoughtful re-reading.

Leaders who allow themselves tea breaks not only (however temporarily) do not lead, they allow the opponents of reform to regroup.

*John Hyde is a Senior Fellow with the Institute of Public Affairs. His book, Dry: In Defence of Economic Freedom, was published by the IPA in November 2002.*

**IPA**

**REVIEW**

DECEMBER 2002