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The price of Freedom is eternal vigilance –

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THOUGHT FOR THE WEEK: *"All power tends to corrupt, and absolute power corrupts absolutely."*
– Lord Acton

NEW ATTACKS ON SENATE by Eric D. Butler:

Obstruction to the Commonwealth Government in the Senate eventually result in a spate of suggestions that the Senate should be "reformed". Over the years all the major political parties have been in favour of steps to try to reduce the powers of the Senate.

In recent times one of the most memorable attacks on the Senate was by former Prime Minister Paul Keating, who referred to Senators as "unrepresentative swill". Critics of the Senate tend to brush aside the fact that Senators are elected by the same Australians who elect Members of the House of Representatives. But the problem, from the parties' point of view, is that electors keep on electing Independents and smaller political groups to the Senate. Currently it is Independent Tasmanian Senator Harradine who is upsetting the Howard Government. Some of the Senator's comments about the Howard Government are far from flattering. Supporters of the Howard Government respond by claiming that it is "undemocratic" for one Senator to have the power to block, or water down legislation introduced by a Government which received "a mandate" from the Australian people at the last Federal elections.

In order to bring this matter into proper perspective, it is necessary to go back to the history of the creation of the Australian Federation last century, and the Constitution governing the Federation. It is a matter of history that the electors of the separate Sovereign States were initially far from enthusiastic about abolishing their State Governments in favour of a Federal Government which the smaller States feared would be dominated by New South Wales and Victoria, and the big capital cities – Sydney and Melbourne. One of the most overly stressed perpetrated myths about the creation of the Australian Federation has been that it was designed to abolish the Senate. The old Sydney *Bulletin* was prominent in promoting this myth. So far from being true, the Federal Constitution makes specific provision for the creation of New States (Chapter VI [121]). Today's Australians have heard little about a number of flourishing New State movements, the most prominent of these being the new England New State movement in the Riverina, Western Victoria and South East South Australia, and North Queensland. At one time the creation of New States was an objective of the Country Party, which originally was a strongly decentralist party.

Originally the promoters of Federation included New Zealand in their programme, but eventually the New Zealanders rejected the concept. The history of the reluctance of West Australia to join is relatively better known.

The reality is that the Senate was created to serve the States, with major powers remaining with the States. The concept of a Senate in which all the States, including the smaller ones, would have equal representation, was a major factor in persuading reluctant electors to vote for Federation. The Senate was to be known as "the States' House". But insufficient thought was given to how the Upper House was to be elected. From the beginning the political parties set out to dominate the Senate. Australia's first Federal Prime Minister Barton was one of the first to suggest that the Senate should be elected by a system of proportional representation. He was unsuccessful. The eventual introduction of proportional representation for Senate voting tended to reflect the original spirit of the Constitution, which favoured decentralisation of power. It is important to recall that the traditional British system of representative government was based on the representation of interests, rather than mere numbers. There was a time, for example, when the major university cities had their own representatives in the House of Commons, these representatives often being Independents of outstanding abilities, such as the famous A.P. Herbert.

From the beginning of the history of government, man has grappled with the problem of how to prevent government from becoming a monster. The concept of Senates, or Upper Houses, elected on a different franchise from Lower Houses, was developed as one means of dividing power and protecting the individual.

One of Australia's most prestigious historians, Professor Blainey, has rendered a valuable contribution to the Republican debate, by reminding Australians that Hitler took his first major step towards creating a dictatorship when he managed, quite legally, to concentrate all political power in his own hand.

Abolition of the institution of Constitutional Monarchy in Australia could pave the way for the emergence of an Australian political dictatorship.

A reduction in the powers of the Senate would also help to foster the further centralisation of power, with little checks and balances on power remaining. A major problem is that, providing they have the combined numbers, the major political parties could unite to alter the voting system for the Senate. There appears to be no constitutional power to prevent the major political parties doing this. It is essential that electors unite to make it clear that they will reject any Federal MP who is in favour of abolishing the present system of electing Senators.

NSW ELECTION PUZZLES by David Thompson:

Although a week is a long time in politics – and an eternity during election campaigns – it would appear that little short of a miracle is required to deliver NSW to the Coalition on March 27th. While the Opposition is equipped with two new leaders (Chikarovski and Souris) it is unfortunate that the Liberal and National Parties neglected to equip themselves with other essential campaign assets – like sensible policies.

The key policy upon which Chikarovski and Souris appear to be hanging their political futures is that

of privatisation of NSW's electricity industry. This appeared to be a godsend, because the ALP was effectively eliminated from this particular pork barrel when a special ALP conference in 1997 prevented Premier Carr adopting this policy. If it was impossible for Carr to jump on this highly lucrative bandwagon, it appeared to offer the Coalition a monopoly on a source of government finance with which they could fund billions of dollars in election bribery.

The privatisation of the electricity service can only proceed in the short term if the Coalition are able to win the election. This explains one of the campaign puzzles over which voters ponder. Why did both the Coalition Parties sack their previous leaders just prior to the election campaign? The answer appears to have been identified by journalist Brian Toohey, who points out that power privatisation involves massive fees for the various bankers, brokers, law firms, advertising agencies, consultants, advisers and other assorted hangers-on who have a chance of getting their fingers into the pork barrel. In fact, the fees are estimated to be a staggering \$300 million!

But, Toohey writes, there were serious doubts about whether the Collins/Armstrong leadership team could win the election, and deliver this bonanza to "the market". "While leaders are rarely secure unless they look like winners, Liberal insiders say that pressure from the pro-privatisation forces became particularly intense. The upshot was that Collins was abruptly dumped in favour of Chikarovski shortly before Christmas . . ." he wrote (*Sun-Herald*, 21/2/99).

So, while the "big end of town" had a \$300 million reason to support privatisation, and therefore back the Coalition, it still left Chikarovski and the Coalition with only **one policy** with which to fight an election campaign. Still, it is a great policy, because the financial windfall to the NSW Government from the power sale could fund an enormous range of bright ideas that must surely swing the required votes.

However, the proposal to sell the power system seems to be solidly opposed by the electorate, with opinion polls still showing about 60% of NSW **opposed** to selling it. This does not mean that 40% of voters support the sale, there are undoubtedly many who are "undecided", so Chikarovski is left with something like 30% of the electorate that supports her single campaign policy. Her only answer to this is to offer the voters a personal kickback from the power sale: free shares, or \$1,100 in cold hard cash. It is hotly denied that this is a form of naked bribery. Heaven forbid!

So Chikarovski described the shares and cash as a form of dividend for those who pay power bills. This led to more messy arguments about what might be expected by those who do not pay for power, like military personnel, nursing home occupants, etc. The dream campaign issue turned into a nightmare.

Toohey wrote that the Liberals' own polling is telling them that it would be better to drop the privatisation policy altogether. But this isn't what the Party's backers from the "big end of town" had in mind. Presumably they had already committed themselves to campaign funding for the Coalition, so Chikarovski, bought and paid for, is locked into privatisation.

The issue is producing enormous stress within the Coalition, and within the Liberal and National Parties. Rebel MP's and candidates from power-generating electorates are either angry at being

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locked into a vote-losing policy, or just plain rebellious. The Nationals know rural voters fear the loss of services under privatisation, and that the blind commitment to economic rationalism is one issue that cost them votes to One Nation.

Tales of disaster under privatised services further undermine the Coalition. For example, the privatisation of power services in Russia has led to many disasters. In Siberia, three patients on life support systems died when the local electricity company cut the power off because the account was not paid, despite warnings being issued. In another case, the power supply to a naval base was cut off for the same reason, leading to the risk of nuclear power units in submarines overheating. The power company only agreed to restore the service at gunpoint. Just as well it couldn't happen in Australia!

Oh no? We are reminded of the case of the centralised 000 Emergency Services. This service is apparently run from Tasmania now, and services the entire nation. Recently a 000 call was placed by a woman in medical distress, and Emergency Services attempted to despatch an ambulance to a town of a similar name in the wrong State. And this service is not even privatised yet!

SECRET TALKS ON PACIFIC CURRENCY: A report in *The Sun-Herald* (14/3/99) claims that a secret task force of top public servants from Australia and New Zealand has been set up to discuss a single currency for both nations. Although the Prime Minister's office denied that this was Australia's intention, New Zealand Prime Minister Jenny Shipley confirmed that the task force exists, and conceded that such an issue would probably be discussed. There is no doubt that this is the next logical extension of the Closer Economic relations policy between Australia and New Zealand. The next step, which would almost inevitably follow a common currency, is a form of political union similar to that of the European Union.

The proposal for a Pacific Parliament is not new, but the apparent "success" of the new European currency, the Euro, has undoubtedly put the issue higher up the agenda. The fact that discussions on a common currency have been concealed indicates that the Australian Government in particular is most sensitive about public reaction to the proposal.

There are also indications that the issue has been discussed at Cabinet level. Deputy Prime Minister Fischer is reported as going so far as to propose (perhaps with tongue in cheek) a name for the new currency – the "zac". Older subscribers will recall that the "zac" was the colloquial term for the sixpence. Does this indicate the probable value of the joint currency on the financial markets of the world?

While the advantages of a common currency are not immediately apparent to ordinary people (Australians would find that cheaper holidays to NZ would disappear) it is clearly of substantial value to multinational investors. A spokesman for Westpac has welcomed the proposal, saying that it would make "life simpler" for companies operating across the Tasman. Since when were Australia's elected representatives required to "make life simpler" for multinational corporations at the expense of voters?

