State of the Economy and the 2023-24 Federal Budget

A Call to Action For The Private Sector

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Paper

THE PRIVATE SECTOR - A CALL TO ACTION

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1. SMOKESCREENS

The smokescreens of politics and media strategy in Canberra are gradually clearing. Despite Albanese's adept communication team, equipped with insights from government research promoting populism, the reality is becoming evident.

The recent Voice Referendum serves as a prime example of a distractive smokescreen. It managed to divide the nation, undermining social cohesion, and diverting attention from pressing issues such as the cost-of-living crisis. For months, the referendum dominated the media, burying critical discussions about economic hardships under a flood of coverage.

Now that the smokescreen has dissipated, it's evident that both financial and emotional strain are rampant within our communities, more so than ever in recent memory. The true tragedy lies in the disconnect between the causes of the cost-of-living crisis and those bearing the brunt of it. The wrong people are being punished, while those responsible are being falsely hailed as saviours combating inflation.

The truth is starkly different: the government's policies are exacerbating inflation by implementing anti-productivity measures that further erode living standards. Moreover, there's a pretence that external global changes compel us to follow suit, lest we fall behind. This narrative is flawed. Significant changes in countries worldwide do not necessitate identical responses from us.

Government intervention and responsible policies are indeed needed, but the current approach is problematic. Australia's ongoing commitment to climate change initiatives from which many countries are retreating disproportionately burdens us. Our global impact on climate change is minimal, yet our per capita costs are among the highest and per square kilometre the lowest. It's naïve to believe that we have any significant advantage in producing green products, given our high production costs. The current trajectory, driven by Labor and the Greens, risks weakening Australia's competitive edge rather than bolstering it.

2. COMPARATIVE ADVANTAGES.

The government's recent rhetoric suggests that the law of comparative advantage is now less relevant, advocating for increased governmental intervention in the economy and our daily lives. Nothing could be further from the truth. The policies being adopted are, in fact, creating competitive disadvantages.

The newly introduced industrial relations regime starkly contrasts with the principles upheld during the Hawke/Keating era. Keating, in particular, opposed the centralisation of pay and conditions, favouring a balanced approach where both employers and employees could benefit through compacts.

Unlike Hawke’s administration, the Albanese government missed a significant opportunity to forge a compact with businesses. The government increased wages without demanding productivity improvements in return, thereby missing a chance to remove burdensome regulations and impractical employment conditions. For example, a deal with BHP in South Australia could have led to the development of a world class copper mine, yielding substantial national benefits. Instead of excessive regulations and compliance demands stifling potential economic gains.

The mining sector, a cornerstone of Australia's competitive advantage (comprising coal, iron ore, gas, rare minerals, and agriculture), is suffering from overregulation. Between 2013 and 2023, only 20% of mining projects reached maturity, largely due to governmental knuckling under pressure from environmentalist groups. This reluctance to proceed with nationally significant projects, despite minor environmental impacts, curtails export income, job creation, and overall living standards.

The so-called green revolution is largely illusory. Despite our natural resources land, wind, and water our high-cost manufacturing undermines any perceived advantage. In contrast, our mining sector, known for its efficiency and productivity, can generate significant taxable income and export profits, provided substantial capital investments are supported by prudent policies.

Critical minerals present a significant competitive advantage. However, establishing these mines is extremely challenging. The government needs to implement robust policies to facilitate their development. Production tax credits, while helpful, are not a panacea. Instead, treating production tax credits [1] as loans repayable under favourable terms could drive efficiency and

[1] Production tax credits is a tax credit on value added manufacturing or the processing of certain nominated critical minerals. If the entity is not paying tax, then the ATO will payout the appropriate amount calculated as a percentage of production or processing.

innovation. Conditional lending ensures clarity of objectives and reduces government risk. Thus, accelerated approvals and streamlined processes are far more beneficial than outright subsidies, which often lead to inefficiencies and persistent dependency on government support.

The enhanced Foreign Investment Review Board (FIRB) process is a welcome improvement, but the complexities of running or developing businesses remain daunting. The international grocery sector, for instance, finds Australia one of the most expensive countries to navigate, contributing to soaring supermarket prices.

Manufacturing as a share of GDP in the early 2000's was 10.11% and in 2022 it has declined to 6%. Current government policy will reduce this further.

The recent blockage by the Greens of Labor's gas reforms to expedite new gas project approvals exemplifies misplaced priorities. Recent polls show that gas is preferred over wins. Given Australia's negligible global emissions, obstructing such projects does little to benefit the environment but severely impacts our energy security. We need a diversified energy mix, including renewables and nuclear, to meet our needs efficiently. Excluding any options from our energy portfolio without a strategic assessment undermines national interests.

Our emissions are less than 1.3% of the world's emissions although on a per capita basis we are one of the highest. With countries like the US and China at 30% each we can do little to effect changes on world emissions.

We are being warned by the energy regulator that we are about to face over the summer significant power blackouts. There is evidence that many businesses are leaving Victoria because of multiple cost pressures. In Victoria coal and gas today represents 82% of our energy with renewables at only 6%. Victoria has massive onshore non-fractured gas available with a great supply of water for the surrounding farmers. Yet the Victorian Labor Government will not acknowledge these reserves or allow them to be even explored when they could make a huge contribution to solving the gas energy crisis. Strong companies are around ready and able to deliver this gas into the existing pipelines within 2 years. This is tragic when today 82% of Victoria's energy needs come from coal and gas and only 6% from renewables.

In summation, while the government argues for increased intervention, a better approach hinges on leveraging our competitive advantages and implementing policies that drive productivity and innovation. Only then can we achieve sustainable economic growth and improved living standards.

3. IR REFORMS & UNION CONTROL.

It is remarkable that Albanese has distanced himself from the misnamed "IR Loophole Reforms," which are better described as a power grab. As a former unionist, Albanese hesitated to engage with these issues for fear of alienating the unions, something Hawke was willing to do in the national interest over sectional selfishness. Remember that Adam Smith recognised the difference between mutual self-interest and selfishness, where the latter excludes everyone else, much like the behaviour of unions such as the CFMEU.

The economic effect of punitive regulations and the irrational stranglehold on employment terms is so profound that sensible modifications could have easily covered the cost of wage increases and benefits. Additionally, the nature of many forms of employment has changed dramatically, often to the detriment of workers. Sector wide industry bargaining, resurrected from the dark ages, fails to recognise that each company is in a unique position. Company specific agreements, which allow for more effective exchanges of wage increases and benefits for productivity improvements, are far more beneficial than standardised sector agreements. Sector bargaining imposes uniform costs, driving inefficiencies and necessitating more arbitration, while reducing the prevalence of casual, independent contractor, and gig work.

Burke, as a former union delegate, knew exactly how to extend union influence on all companies, regardless of size, through the use of delegates. Unions will appoint delegates to businesses even when only a handful of employees desire such representation, especially at a time when business owners are struggling with rising costs in wages, freight, energy, rent, insurance, compliance, and difficulties in borrowing. Union delegates will get involved in any reorganisation no matter how small. If a business does not have a delegate, it only requires one employee to bring the union in with a delegate. For unions, democratic principles, and proportionality between the number of union members and their rights are irrelevant. What matters is revitalising their power and amplifying their influence beyond their actual numbers.

Only 12.5% of workers were union members in 2023, with even lower percentages in the private sector. Union membership by age group is working against the long-term interests of unions:

Age Group	Union Membership	Total Employees
18 - 24	5%	17%
25 - 34	19%	24%
35 - 44	23%	23%
45 - 54	26%	19%
55 - 64	22%	14%
65 +	5%	3%
	100%	**100%**

This situation is somewhat reminiscent of China, where 7 - 8% of the population are members of the Communist Party yet hold 100% of the power and control.

Albanese and his team have been brilliant in persuading the public that Labour is governing from the centre and in the interests of all. However, history shows that past Labour governments often fell out of favour with the electorate once their true objectives became apparent. The electorate is slowly awakening to the reality that the unions control the Labor Party. No significant policy can be adopted unless it aligns with union interests, particularly those of the CFMMEU. Both unions and Labor are working in unison to gain more control over the private sector, intruding on free market dynamics. Consider the following:

- Ten members of Labor's 23-member cabinet (43%) come from unions, including Albanese, Burke, Farrell, and Wong.
- 58% of Labor's MPs have union backgrounds or come from Labor staffing.
- 44% of Labor's 2022 campaign donations came from unions.
- 9% of CFMEU membership fees are directed to the Labor Party, making it the party's largest donor. Notably, South Australia has rejected the CFMEU. Not all unions are as greedy and selfish as the CFMEU; many have sound relationships with employers.
- 33% of the directors of the top 10 superannuation funds were union members, giving unions a massive power base unseen in any other country.
- $9 million of union funds came from superannuation funds in 2022, with a record breaking $12.9 million in 2021.
- 70% of union members come from a narrow sector of the economy, primarily public sector unions in education and training (30%), public administration & safety (22%), and healthcare & social assistance (20%).
- Only 7% of union members are casuals.
- 33% of directors appointed to the top 10 superannuation funds were union officials.

The Labor cabinet is unbalanced. Too much union influence with virtually no influence from small- and large-scale businesses. This reflects in the one-sided nature of Burke's IR Reforms and explains how he was able to out manoeuvre and sidestep businesses in dealing with the legislation. Burke went further and was highly critical of BHP and its Chief Executive. Burke was arrogant and showed no empathy for the aspirations of business. Unfortunately, it will take time for the reality of the IR Loophole Legislation to become apparent and then there will be an outcry.

It is not only the unions exerting substantial influence on Labor policy but also several Labor-aligned law firms that make significant donations to the party. Consequently, Labor halted reforms in litigation, plaintiffs, and funding, where the balance between legitimate collective actions and abuse remains skewed.

The union movement's control over Labor policy decisions and appointments is becoming increasingly apparent. Notably, Labor's first significant decision was to disband the Australian Building Construction Commission (ABCC), first by budget cuts and subsequently by legislation. As a result, the CFMEU now operates without significant constraints or respect for the rule of law. Multiple cases and penalties have been abandoned, with courts noting that for the CFMEU, penalties are merely a cost of doing business. The financial benefits to the CFMEU far exceed their donations to the ALP.

We now face soaring construction costs, making Australia one of the most expensive countries for building, measured by labour costs per hour. CFMEU wage costs are 75% higher than the industry average, pricing companies out of contracts and making the CFMEU the preferred contractor. This has a substantial inflationary effect on the economy and places many activities, such as home building, out of reach. Large government infrastructure projects, controlled by the CFMEU, have absorbed vast amounts of labour, and building materials, leading to supply shortages. Infrastructure wages are exorbitant ($206,000 for an entry level worker), unmatchable by the private sector. Building costs have surged by 40% since 2019, partly because government contracts are awarded solely to unionised sites, further driving inflation, and hindering solutions to our housing crisis.

This raises the issue of wage inequity, which Labor is implicitly sanctioning. How can the government stand by and allow these enormous CFMEU wages and similar public servant salaries, while simultaneously resisting salary increases for nurses, aged care workers, teachers, ambulance officers, and possibly police? The government pretends to be a neutral party, claiming wage disputes are between employers and employees. This is nonsense and represents Labor's Achilles' heel: they loudly proclaim equity and fairness but fail to uphold it in practice.

The CFMEU's opposition to welcoming immigrant construction workers, who are desperately needed, is another area of concern. There are numerous other abuses, such as influencing policies on issues like duck shooting in Victoria, the replacement of a Queensland Premier, and even a Federal Prime Minister. The $3 million cap for a lower tax rate on superannuation limits will benefit union-controlled super funds. This cap which is not indexed applies to unrealised capital gains causing a huge amount of complexity and concern. Bob Gottliebsen has written extensively about where this complexity and uncertainty.

In conclusion, the union movement's control over Labor's policies and decision-making processes is not only evident but also detrimental to economic efficiency and equity. The influence of unions extends beyond reasonable bounds, distorting labour markets and exacerbating economic disparities. It is crucial for the Labor Party to re-evaluate its stance and policies to genuinely serve the national interest over sectional interests.

4. LABOR AND BIG GOVERNMENT.

Labor likes big governments and government expenditure as a percentage of GDP is increasing and in the budget estimates it will stay above 26% for some time which is like saying it will increase again. At 26.6% for 2025/26 apart from the Covid years this is the highest percentage in 50 years but nevertheless it is good by world standards where only Korea and Switzerland are lower. GDP growth is at 3.8% whilst spending is at 8.3%. Wage growth is exceeding inflation and for 2023 labour productivity has declined by 3.5%. Real wages to increase by 0.5% but with no productivity benefits identified. Personal tax is the highest ever. Jobless welfare is surging.

More and more public servants are being appointed. In other words, the ratio of producers and lifters to takers is declining. For instance, between 2018 and 2023 public service employees have grown by 22% and wages by 35.5%. This compares with net population increase of 6.5%. Much of the public service increase has been in climate change and environment activity.

But we need to improve the performance of the private sector where the private sector employs 86% of workers and contributes $150 billion in taxes to government income that is 25% of the budget. These are the direct taxes not the indirect taxes like payroll tax companies pay direct to government as a result of employing people and goods and services on the GST on the goods and services they produce.

5. FALLING AND FAILING METRICS.

Investment income and investment itself are falling mainly because of the rising cost of labour. Insolvencies are rising dramatically. Most ASX companies are reporting falling profits and lower returns. For two quarters per capita growth has been negative. Our growth of 1.75% this year, 2% next year is way below the long-term average of 3.5%. More is being spent on government capital works than private sector capital works. The mix of workers to non-workers is shrinking.

Banks are lending less to business than on residential mortgages, yet housing starts are seriously in trouble where Governments are taking on the one hand and giving back on the other with the various deposit assistance of all kind's government will not accept that 50% plus of the cost of house and land is direct and indirect taxes.

The cycle of supply and demand for housing is completely out of balance; supply has been reduced and requires dramatic surgery. This is a multifaceted problem requiring a multifaceted solution. There is no silver bullet. Simply making sums available achieves little.

Significant accumulative deficits (albeit in any one year a small percentage of expenditure) in the future increases gross debt to a trillion giving rise to increased annual interest rate costs and greater vulnerability to international markets. Pre Covid gross debt was 6% of GDP. With the Covid stimulus it increased to around 40%. The former low level of debt enabled us to cope immediately with the Covid crisis which could have disrupted our economy. Under Labor which is making no attempt to reduce this deficit make Australia very vulnerable and unable to cope to shocks. So Labor is exposing to huge risk, and this makes us very vulnerable.

Migration has put massive pressure on housing and the care sector. Hospitals, Teachers, Aged Care are all in decline. NDIS is out of control and defence is a serious worry. Immigration puts massive pressure on our infrastructure. With net immigration of 240,000 theoretically you need the same infrastructure that Geelong has with a population of 285,000. So not only can immigration cause inflation but we have too many people chasing fewer goods and the infrastructure to look after them.

It is not in our national interest for any government of any persuasion to have an adversarial or negative relationship with both big and small business. This is particularly so in relation to mining and agriculture a significant part of our competitive advantage. It is much better if these parties are in unison and working for the benefit of all of us and our standard of living. It is not good for ideology or one-sided views to impinge on the relationship remembering that it is business that drives profits and provide much of the government's taxable income.

6. INCREASING COST OF DOING BUSINESS – A BUSINESSMAN'S POINT OF VIEW.

After the splurge from Covid satisfying unfilled demand the prospects of business have deteriorated markedly. The cost of doing business has increased for virtually every business. All businesses have suffered from one or more of the following home-grown cost blowouts:

- Rising energy costs.
- Wages increasing more than inflation.
- Freight costs increasing significantly. (Fuelled by energy costs)
- Cost of plant and equipment increasing.
- Borrowing and rent costs increasing.
- Rates and Taxes.
- Cost of goods sold increasing.

Whilst businesses have suffered a massive increase in cost of doing business sales have fallen. With shrinking sales and companies fighting to hold their market share margins have been eroded. There is no sign that there is any improvement in sales, margin erosion or cost of doing business. Rising costs are eating into reduced profits so compounding.

The Australian Small Business and Family Ombudsman reports that small business contributes 506,000 billion or about 1/3 of our GDP. 98% of businesses are classified as small being 2.5 million businesses employing 5 million workers. Insolvencies have increased 40% over the last year and payments to the sector are now 10.2 days later. This is all happening at a time when demand is at its weakest and there are many more companies that are likely to collapse.

The budget contained no joy having a serious impact of any of the above costs with the prospect of wages increasing again this will lead to more businesses failing. Further there has been absolutely no progress in the budget achieving any productivity gains or some kind of respite from the massive regulation and compliance regime.

The Treasurer keeps acknowledging that people are doing it tough but not that business is doing it tough. This highlights the Treasurers insensitivity to the plight of business.

You can understand why a business seeing government grow will become worried as to what is the true attitude of government to business particularly as it is business which is driving employment and responsible for a huge amount of the government's taxable income. Is this fair and in proportion what does the future hold. Many worry. Government seems to be insensitive to the challenges facing the private sector and particularly where the impact on sectors that are driving Australia's competitive advantage like mining and agriculture makes this astonishing.

7. TAX DISADVANTAGES.

Our tax structure places Australia at a significant competitive disadvantage. Personal tax per capita is among the highest in the world, and the high share of taxable income dramatically disincentivises economic activity. This is compounded by the pervasive issue of bracket creep, a significant contributor to additional government revenue. In the 2024/25 financial year, the proportion of taxpayers paying the highest tax rate of 45% will rise from 4.4% to 7.4%.

Meaningful tax reform could dramatically enhance private sector productivity and help contain government expenditure as a percentage of GDP. However, consistent with past behaviour, Labor is increasing the government's share of GDP, which will ultimately necessitate further tax hikes or increased borrowing. The budget papers already reveal significant deficits and a trillion dollars of debt, compounding the problem.

It's no surprise that the Treasurer, Jim Chalmers has introduced the mantra of the need for growth, but this acts as a smokescreen for the government's failure to control inflation through reduced expenditures. The $300 energy benefit (a trick for CPI measurement), production tax credits, and other federal expenditures, combined with state and federal spending, will only fuel inflation further.

If it was technically too complex to means-test the $300 grant, it could have been structured to benefit low-income earners more. For example, grossing up the amount and taxing it would ensure those on lower or no income would benefit more significantly. The current arrangement is seen as a vote catcher, catering to the wealthy and those with multiple accounts a bad and irresponsible policy.

It’s no wonder that Chalmers wanted his associates appointed to the Reserve Bank of Australia (RBA) rate setting board, likely to secure an interest rate cut before the next election. The so-called surplus is the result of massive mining exports, not government policy. Chalmers disputes this, but the test is clear: would there be a budget surplus without the mining industry’s contributions?

8. RESERVE BANK OF AUSTRALIA (RBA).

The RBA will not succumb to this manipulation. Wage increases that exceed inflation will inevitably drive further inflation, frustrating Chalmers, and his cohorts. The RBA is not responsible for the cost-of-living crisis. The real reason for restructuring the RBA is to allow Chalmers to appoint Labor-friendly figures to set interest rates, a critical factor that can sway election outcomes. Labor relies on economist Professor Ross Garnaut, who suggests there is no issue with government expenditure rising as a percentage of GDP. However, current economic trends point to a per capita recession that will be difficult to reverse. Garnaut advocates for full employment at all costs, a stance contrary to the RBA's perspective. The RBA believes a small level of unemployment is necessary for labour market flexibility, enabling workers to transition between sectors. While full employment might reduce government obligations to pay benefits, (if it comes with the cost of inflation) it would hinder economic agility and adaptability.

The RBA is acutely aware of the housing supply issue, recognising its complexity. Since 1980, the average number of persons per household has dropped from 2.8 to 2.4, yet this has not resolved the problem. We need 40% more homes; since 2019, 170,000 people are seeking homes, with 123,000 homeless. This is a dire issue.

Massive government debt, partially caused by Covid-19 and substantial expenditures in Labor run states like Victoria and Queensland, continues to drag on our economic performance. For example, building tunnels in Victoria, projects of questionable benefit involving billions, detract from funding the care economy. Sadly, most of the debt-inducing expenses are not on productive activities, impacting our standard of living but in so far as it is spent on infrastructure it will aid productivity, but the real question is whether alternative expenditure on health, education, and transport etc would be more productive per dollar spent. Fortunately, the mining sector is generating export surpluses, which should be utilised to repay debt rather than increasing government expenditure. It's the mining industry, not government policy, that's creating the surplus, a reality reflected in forecast deficits and a trillion-dollar debt.

9. AUSTRALIA OUT OF TOUCH – COMPETITIVE DISADVANTAGE.

Chalmers believes Australia is out of sync with the rest of the world and that our competitive advantage is slipping due to deteriorating geopolitical scenarios. He advocates for protective barriers, mirroring other countries' actions, implicitly suggesting that the law of comparative advantage in a free market is outdated. While this perspective might be partially true, it pushes the government further into our lives, adopting policies that weaken the country's competitive position far beyond the supposed benefits of protective measures.

To think we can match economic powerhouses like India, the USA, China, or South Korea is illusory. We will always be vulnerable to these countries' actions, and Labour's chances of matching them are extremely low. For example, China has built an 80% share of critical minerals over decades - a reality we can't quickly replicate. Instead of trying to outwit the market, we should maximise our existing competitive advantages.

The critical mineral production credit, barring sectors like Lithium and Nickel, is illusory due to the extreme difficulty of establishing new mines. Pursuing our competitive advantage would expand the private sector and reduce government spending as a percentage of GDP. It wouldn't take much to free up the market and allow the private sector to leverage our massive strengths, leading to greater productivity and improved living standards. A high government expenditure-to GDP ratio threatens our standard of living. The Greens' vision of transforming into a renewable energy superpower is impractical. The private sector is far better suited to drive income and growth than the government.

Steps to achieve this are obvious. Larger corporations can provide detailed plans, while tradespeople and farmers can pinpoint roadblocks. Properly listening to them would reveal straightforward reforms to invigorate the market. The last coalition government, led by Treasurer Josh Frydenberg, initiated a programme to eliminate unnecessary regulations, which was effective for a time. Currently, the impact is unclear. Considering regulation's profound negative influence on the private sector, appointing a Minister for Regulation and Productivity to oversee all government departments might generate more action.

Australia is in a unique position, with massive competitive advantages relative to its economy's size. Strengthening our economy through these means, rather than increasing government intervention, is preferable. Australia is a young, growing country with vast resources and substantial growth potential. We cannot sustain growth without international capital and borrowings. Historically, we've been attractive for being an open country where people want to invest. Immigrants seek freedom and a good life here, but current policies are creating a costly, intrusive environment. These policies weaken our strengths. We need not mimic other countries, as Australia is unique. Sadly, government policies undermine our competitive position with issues in energy costs, wages, freight, regulation, and employment conditions creating inflexibility. Businesses have yet to fully experience the impact of industrial law changes, but when the ACTU and unions drive these changes such as more pattern bargaining and appointing delegates the real effects will be felt. Labor costs as a percentage of income are the highest in two decades. Treasury expects real income to grow by 3.7% for 2024/25 (2% from Labour's initiatives and 1% from tax cuts). Businesses will struggle to absorb this.

Chalmers' interventions are a smokescreen, distracting from the real issues that could drive productivity and improve living standards for all. Current policies undermine long-term growth and standards of living, while the public sector continues to grow. Just implementing productivity measures for a single project, like BHP's copper mines in South Australia, could invigorate the local economy. This stands in stark contrast to critical mineral initiatives in WA, which have high long-term development costs but could win votes.

The countries Chalmers wishes to emulate face very different challenges from Australia, and we should not be swayed by their actions.

10. INVESTMENT IN AUSTRALIA.

Australia is becoming increasingly less attractive for investment due to its rising cost structures, energy prices, wages, freight, regulation, and business compliance complexities. Our competitive position has declined from fourth in 2004 to nineteenth in 2023. Overregulation deters rather than encourages investment. The IR Loophole Legislation exemplifies unnecessary government intervention that exacerbates fundamental issues, misleading the public and economists alike. Cleverly, many economists are distracted, overlooking government policies that fuel inflation and weaken the economy.

As a relatively small country, our best response is not to mimic protective measures seen elsewhere but to vigorously pursue our competitive advantages. This approach would enhance overall economic strength. For instance, in agriculture, Australia and New Zealand are among the least subsidised countries, resulting in highly efficient and resourceful sectors that reinforce our competitive edge. The same applies to mining. Labour's challenge with competitive disadvantage lies in its union obligations, where wages and benefits increase without corresponding productivity gains. Chalmers and the Albanese government's current plans are merely smokescreens, obscuring real issues due to union obligations.

Current government policy where nominal spending is growing at 16% over the next two years double the rate of nominal growth is likely to decrease productivity and living standards, creating significant intergenerational conflict. Younger generations face growing disadvantages, from HECS debt and housing issues to emotional distress and self-harm. There is a noticeable decline in volunteerism due to the overwhelming focus on minor and sectional interests driving policies at the majority's expense. Individualism is damaging social cohesion.

Trust in government has plummeted from 77% in 1960 to just 16% today. This erosion is evident when the government fails to deliver on promises like the $275 energy reduction, with the $300 grant doing little to restore faith.

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Disclosures:

1. AI technology has not been used to write this paper save it has been used to edit with the result that repetitive material has been eliminated.
2. The source of information has been speeches, papers, books, and newspapers too many to mention but sources are available if requested.
3. The information on the involvement of Unions in the Labor government on page 7 was researched by grandson Bill Cameron. (Bachelor of Commerce and a student of the JD program at the Melbourne Law School).