

# Beattie barometer points to change in the weather

**N**O MATTER what you think of him personally, Queensland Premier Peter Beattie usually provides a pretty good indicator of the national mood. That's why, when he changes tack on the Haneef case, it makes sense to assume that something significant has changed in the way the issue is regarded at a grassroots level. After all, Beattie is a Labor premier in a state that votes solidly for the Coalition at a national level.

In June 1998 Beattie won office only after managing to get the support of independent MPs. The party won just 38.9 per cent of first-preference votes. Since then, he's been able to turn a vast majority of ordinary Queenslanders into his supporters. The secret of his success seems to be his ability to portray himself as a very ordinary bloke. Electors seem to feel comfortable that he reflects their values.

Contrast this to the federal result. In the 2004 election Labor received only 34.8 per cent of the primary vote, which translated to 42.9 per cent of the two-party preferred votes – the party's worst result in any Australian state or territory. The



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Coalition sends 21 parliamentarians to Canberra from the other side of the Tweed River and Labor can only manage six.

The point of this bit of electoral history is to demonstrate Beattie's achievement in reflecting the mood of an otherwise conservative electorate. So it was particularly significant when, at the end of last week, Beattie had changed his tune in the case against Dr Mohamed Haneef. He was asking the Federal Government to come clean and, if there had been a stuff-up, to admit it.

Prime Minister John Howard hasn't done that, of course, and he isn't likely to, but the prosecution case that's been outlined publicly so far is looking thinner than tissue paper. This has two important dimensions, one political and the

other relating more broadly to the issue of national security.

It is evident that the political dynamics of Haneef's detention are not working out the way they were meant to. An inoffensive Indian doctor, who was working here to plug a gap in the Australian hospital system, doesn't immediately sound like the sort of dangerous character who would need to be locked in an armoured police van wearing a brown jumpsuit and in bare feet.

Understandably, people want to feel secure and are prepared to give the Government a degree of latitude when it comes to national security issues. But once we begin to suspect there is a degree of incompetence or political opportunism in the actions of the Government, our trust rapidly disappears.

Unfortunately, trust in this Government has been eroding since the 2001 election. Even before the terrorist attacks on the twin towers of the World Trade Center in New York, the SAS had been sent to board the Tampa as it sailed into Australian waters packed to the gunnels with asylum-seekers. That event continues to resonate today, but not

always with the same political effect as it seemed to at the time. One of the commanders of the soldiers who boarded the ship later became outraged at the politicisation of the action.

At the coming election, that officer, Peter Tinley, will be struggling to wrestle the seat of Sterling away from the Liberals and return it to Labor. Since leaving the SAS, Tinley has taken over a small business, which he is now running successfully enough to free up time to devote himself to the business of campaigning. He's not a natural politician, he's got far too much honesty for that.

Nevertheless, as he goes around knocking on the doors of the marginal suburban electorate, his physical presence conveys a simple message: Labor takes national security seriously.

It is a message that goes beyond the Government's recent purchases of jet fighters and air-warfare destroyers. In the past, hardware such as this emphasised that a political party could be trusted on defence issues. Effectively, this strengthened the hand of the Coalition because it was always

prepared to devote more of the national "pie" to spending on such items of equipment than Labor ever would. In the wake of the terrorist attacks in the United States and uncertainty about refugees sailing to Australia, many people's natural inclination was to put their trust in Howard. A similar attitude was evident when he insisted that it was necessary to invade Iraq, to get rid of Saddam Hussein.

Although large numbers of people were adamantly opposed to the invasion, others gave the Government the benefit of the doubt. Even when the original reason for the attack (the presumed existence of weapons of mass destruction) had vanished, people were still willing to trust the Government to manage our exit from the country. But now the Government has forfeited that trust.

It's obvious that the "surge" strategy has failed. Although it will take some time before this is officially conceded, the reality is already obvious. This has eroded voters' trust in the Government to manage border issues that revolve around the security agenda. Buying more conventional weaponry hasn't

reassured the voters, for the simple reason that people can now see that the threats we are facing can't be defeated by the application of guns and bombs.

This helps explain part of the reason why Haneef's detention has not provided the electoral boost that the Government was so desperately hoping for. In the past, the electorate viewed national security as a primarily military responsibility. This gave the Coalition an automatic advantage when the national conversation moved to this area.

Now people are aware that security has many dimensions. And that's why the Government should be very worried when Beattie begins asking questions about the way it is acting. The last thing a Labor politician wants to do is direct attention to the Coalition's strong suit. If he is starting to ask questions about national security, he must have identified a weakness in the Government's position.

It looks as if the dynamics of the debate are about to change.

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# Broader scope in NT for schools

KIRSTEN STORRY

**O**NE OF the measures Prime Minister John Howard announced last month was that the Government would link income support and family assistance payments to school attendance for all people living on Aboriginal land in the Northern Territory.

School attendance is a chronic problem in the territory's remote communities. In Maningrida, a large Arnhem Land community, the truancy rate is reported to be 68 per cent, meaning that, on an average day, only one in every three school-age children is at school.

But here's the catch: remote schools are not ready for an attendance surge that could, in many cases, double their student population. The Northern Territory funds school places based on the number of children who attend during "census" weeks, not the number of school-aged children in the community and on nearby outstations.

Maningrida, like other remote communities, does not have the desks or teachers for all community children to attend its school, or an abundance of spare houses for new teachers.

School attendance is essential for remote community children to have choices and opportunities for economic and social participation inside and outside their communities. But compelling school attendance, without addressing the issues of education supply in remote community schools, will not result in more children getting a good primary school education.

This is because poor attendance is a cause and a symptom of poor schooling in remote communities. Teaching in remote communities is not for the inexperienced, but remote schools are largely staffed with first- and second-year teachers.

When remote community children arrive at the first year of school, few will have had exposure to spoken English, let alone reading and writing. Most of their parents left school in their early teenage years, if not earlier, without basic literacy and numeracy. Most children will need intensive, systematic, skills-based instruction for several hours a day, but their teachers do not have the necessary training in robust phonics instruction. As children grow older, the gap widens – about nine months for every year at school.

In the short term, cracking down on school attendance will make the situation worse in remote schools. Teachers will find their classrooms inundated with children with no history of regular attendance and others who have never been enrolled.

If the Australian Government is serious about getting results in remote community schools and about merit pay for teachers, now is the time to exempt remote territory schools from the centralised teacher allocation system and to run rigorous trials of merit pay in those larger communities that have large enough primary school enrolments to support a class for each grade level.

Strong leadership will be essential for the schools to push through issues associated with a sudden enrolment surge of children who do not perform at grade level. The Government will need to offer salaries and packages to attract experienced principals to commit to one to two years to rebuild a remote primary school and to give them the autonomy to recruit capable and committed teachers.

Many good independent schools and public schools in urban areas will be willing to contribute time and expertise to mentor or support principals in remote schools. One option might be for remote schools to have a school board of community elders, urban principals and senior executives of corporations which want to make a difference. The boards could assist with building projects, apprentice and internship programs, and new technologies to improve school administration.

The best schools should be allowed to expand. Parents should not be restricted from (that is, lose welfare payments) moving to communities with better schools. Schools should be encouraged to run bus services to smaller nearby communities that cannot support full primary school education.

Where possible, remote school infrastructure should be used more efficiently. Classrooms and facilities are used for about six hours a day, 40 weeks a year. They lie idle during the late afternoons and school holidays when they could hold adult literacy classes, or, if necessary, a second shift of school classes while building work is under way. In particular, special literacy and numeracy classes could cater for those aged 15 and under who are now required to attend school but do not have the primary school education to attend high school.

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# Housing summit waste of time

Both sides of politics are ignoring the 'elephant in the living room' when it comes to looking for the root cause of declining affordability.



PETER MARTIN

**Y**OU are on a good income, you live in the national capital, and yet you can barely make ends meet.

Welcome to Canberra's fastest-growing club.

David Tennant has helped run the Care financial counselling service in Akuna Street, Civic, for more than a decade.

He says five years ago his only customers were low-to-middle income earners. None earned more than \$45,000.

These days, he says, one in eight of his clients earn at least that much. In the first half of this year he received calls from more than 100 financially stressed Canberra residents on incomes higher than \$45,000 – some of them a good deal higher.

Financial stress in order to afford housing is no longer exclusively a low-income problem, and no longer a rest-of-Australia problem.

In a report issued yesterday, the St Vincent de Paul Society outlined the case of an ACT mother and father, with three children, who have been evicted by a landlord who wanted to redevelop their home and forced them into crisis accommodation. They can't afford the rents now being charged; they are living on food stamps and with only one car between them, they are finding it difficult to travel the long distances from their crisis home to school and work. Their relationship is under stress and their oldest son is developing behavioural problems.

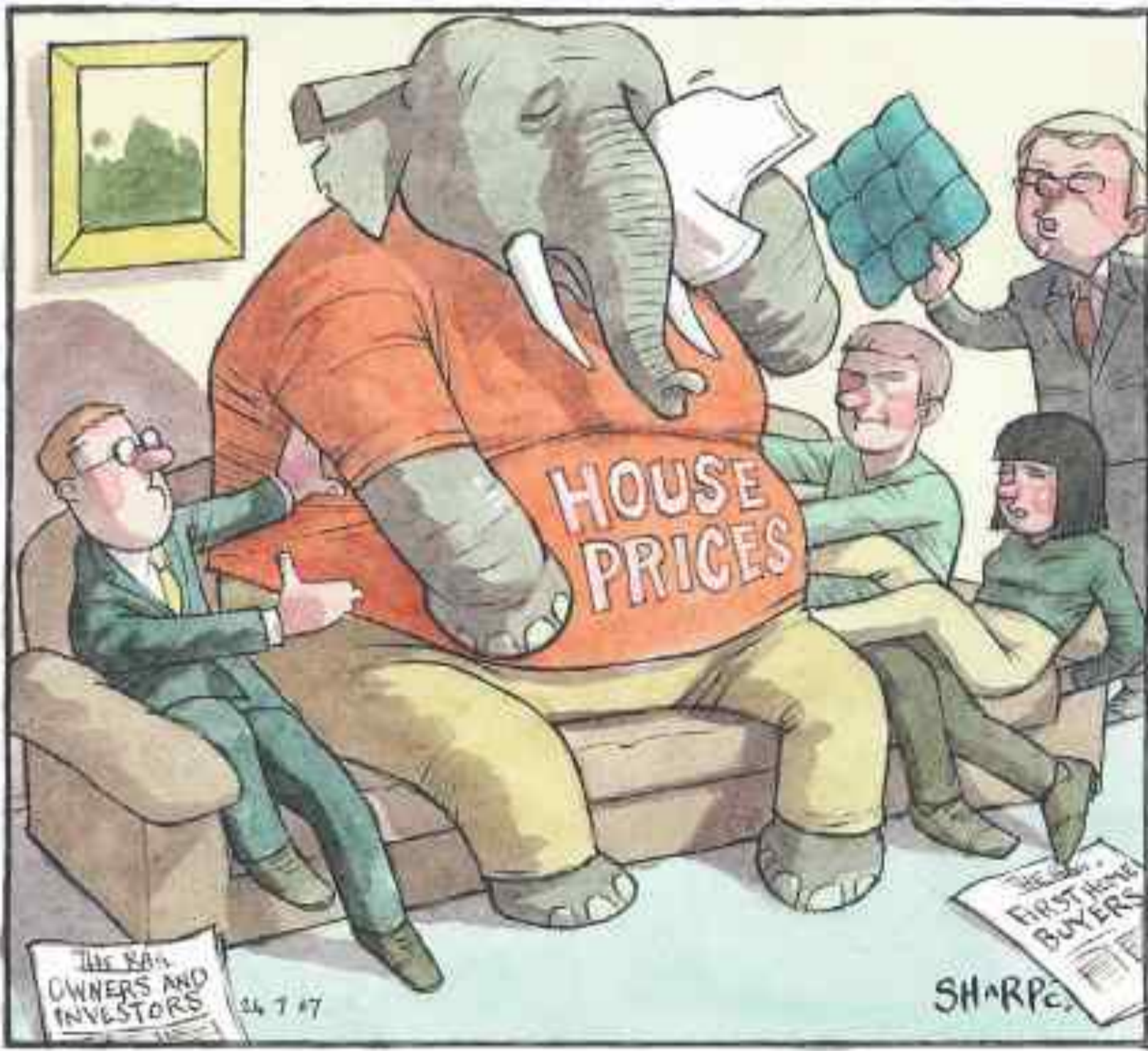
This Thursday in Parliament House, Labor leader Kevin Rudd will host a National Housing Affordability Summit to try to get to the root of the problem, to see what can be done to fix it.

It will fail on both counts.

Labor doesn't really want to know the root of the problem, and nearly every one of the solutions proposed to fix it either won't work or is politically unpalatable.

Labor has devoted an entire section of its pre-summit paper *New Directions for Affordable Housing* to what it says are the reasons for declining affordability. It lists rising interest rates, demand outstripping supply, land-release processes and the cost of building.

Nowhere in the Labor document is what the Macquarie Bank's housing specialist Rory Robertson rightly describes as "the elephant in the living room" – the trigger for the post-1999 surge in housing prices that neither side of politics will



acknowledge. In that year the Government halved the headline rate of capital gains tax. From then on any profit earned as a result of selling an investment, such as a house, was taxed at only half the rate as money made from employment, interest or dividends.

Robertson bought an investment house himself. As he said a few years later, "Since September 1999 it is almost as though the Australian tax system has been screaming at taxpayers to gear up to earn

increased capital gains rather than to work harder to earn increased wages or salaries."

The Tax Office says in that financial year the number of extra Australians piling into the housing market as investors topped 88,000. The Reserve Bank described the surge of real estate investment by Australians who already owned homes as "unprecedented, both in terms of previous experience in Australia and experience overseas".

Although the new superannuation

tax concessions that came into force this month have since opened an even more generous tax dodge, investors are still piling into housing, keeping prices high.

As Robertson puts it, "middle-aged investors still are out there buying well-located family homes that otherwise would have been home to first-home buyers."

Around the country, after each Saturday afternoon's round of auctions, younger, would-be first home buying couples still are trudg-

ing back to their rented accommodation as disappointed underbidders". Australian house prices have doubled since 1999.

Sydney has become the world's sixth most expensive city. Refugees fleeing those prices have pushed up prices in every other city.

The businessman John Ralph, who recommended the tax cut to the Treasurer back in 1999 (in line with some very specific terms of reference) didn't see it coming.

His report predicted a boom in

investment in "innovative, high-growth companies". Instead, Australians bid up the prices of the things they understood.

(And for which they could get a "depreciation allowance". I have never understood why an asset such as a home unit designed to appreciate in value should get a concession for depreciation.)

In the lead-up to this week's summit, the Housing Industry Association has even called for a doubling in the depreciation allowance in a manifesto it has shamelessly entitled *A Fairer and Affordable Housing Plan*.

Only one politician went on the record at the time predicting what would happen. Labor's Mark Latham, then a backbencher, described the proposed capital gains tax cut as "the thing that tax avoiders want. They want incentives to move out of trading income into trading assets. They want the opportunity for property and asset speculation in the Sydney land market rather than a taxation system which promotes value-adding in the information technology sector".

Latham was prescient. As Labor leader he asked Access Economics to investigate the economics of reinstating the full rate of capital gains tax. He panicked and abandoned the idea when news of it became public.

Under Kevin Rudd, Labor won't even acknowledge the trigger for the boom that has made houses unaffordable for most of the Australians who don't already own them. Removing the capital gains tax concession (even removing it only for new investors) would depress housing prices. The sad truth is that none of our political leaders want that, although they rarely say so.

The Coalition's Ross Cameron, then the member of Parramatta, was a candid exception when he explained in 2003 that rising house prices "makes for happy voters".

More than two-thirds of Australian households already own or are buying the place in which they live. They have a clear interest in prices rising. Census figures suggest they are digging into the increased equity higher prices have given them in order to continue to fund their lifestyles, in some cases remortgaging previously unmortgaged properties. They would be devastated if prices fell seriously.

Labor's housing summit on Thursday will try to work out how to do the impossible – make housing more affordable without making it much cheaper.

Economists have a name for the sort of process that got us into this mess: "hysteresis", a one-way change that once made is impossible to completely undo – as impossible as unscrambling a scrambled egg.

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# Islamophobia shows the West is selective about values

Double standards only harden attitudes in the Muslim world, KAREN ARMSTRONG argues.

**I**N THE 17th century, when some Iranian mullahs were trying to limit freedom of expression, Mulla Sadra, the great mystical philosopher of Isfahan, insisted that all Muslims were perfectly capable of thinking for themselves and that any religiosity based on intellectual repression and inquisitorial coercion was "polluted". Mulla Sadra exerted a profound influence on generations of Iranians, but it is ironic that his most famous disciple was probably Ayatollah Khomeini, author of the fatwa against Salman Rushdie.

This type of contradiction is becoming increasingly frequent in our polarised world, as I discovered last month when I arrived in Kuala Lumpur to find that the Malaysian Government had banned three of my books as "incompatible with peace and social harmony". This was surprising because the Government had invited me to Malaysia and sponsored two of my public lectures. Their position was absurd because it is impossible to exert this type of censorship in the electronic age. In

fact, my books seemed so popular in Malaysia that I found myself wondering if the veto was part of a Machiavellian plot to entice the public to read them.

Old habits die hard. In a pre-modern economy, insufficient resources meant freedom of speech was a luxury few governments could afford, since any project that required too much capital outlay was usually shelved. To encourage a critical habit of mind that habitually called existing institutions into question in the hope of reform could lead to a frustration that jeopardised social order. It is only 50 years since Malaysia achieved independence and, although the public and press campaign vigorously against censorship, in other circles the old caution is alive and well.

In the West, however, liberty of expression proved essential to the economy; it has become a sacred value in our secular world, regarded

as so precious and crucial to our identity that it is non-negotiable. Modern society could not function without independent and innovative thought, which has come to symbolise the inviolable sanctity of the individual. But culture is always contested, and precisely because it is so central to modernity, free speech is embroiled in the bumpy process whereby groups at different stages of modernisation learn to accommodate one another.

It has also, as we have been reminded recently, become a rallying cry in the escalating tension between the Islamic world and the West. Muslim protests against Rushdie's knighthood have recalled the painful controversy of *The Satanic Verses*, and last week four British Muslims were sentenced to a total of 22 years in prison for inciting hatred while demonstrating against the Danish cartoons of the Prophet Muhammad.

It would, however, be a mistake to

imagine that Muslims are irretrievably opposed to free speech. Gallup conducted a poll in 10 Muslim countries (including Iran, Afghanistan, Pakistan and Saudi Arabia) and found that the vast majority of respondents admired Western "liberty and freedom and being open-minded with each other". They were particularly enthusiastic about our unrestricted press, liberty of worship and freedom of assembly. The only Western achievement that they respected more than our political liberty was our modern technology.

Then why the book burnings and fatwas? In the past, Islamic governments were as prone to intellectual coercion as any pre-modern rulers, but when Muslims were powerful and felt confident they were able to take criticism in their stride. But media and literary assaults have become more problematic at a time of extreme

political vulnerability in the Islamic world, and to an alienated minority they seem inseparable from Abu Ghraib, Guantanamo Bay and the unfolding tragedy of Iraq.

On both sides, however, there are double standards and the kind of contradiction evident in Khomeini's violation of the essential principles of his mentor, Mulla Sadra. For Muslims to protest against the Danish cartoonists' depiction of the prophet as a terrorist, while they carried placards threatening another 7/7 atrocity on London, represented a nihilistic failure of integrity.

But equally the cartoonists and their publishers, who seemed impervious to Muslim sensibilities, failed to live up to their own liberal values, since the principle of free speech implies respect for the opinions of others. Islamophobia should be as unacceptable as any other form of prejudice. When 255,000 members of the so-called

"Christian community" signed a petition to prevent the building of a large mosque in Abbey Mills, east London, they sent a grim message to the Muslim world: Western freedom of worship did not, apparently, apply to Islam.

Gallup found there was as yet no blind hatred of the West in Muslim countries; only 8 per cent of respondents condoned the 9/11 atrocities. But this could change if the extremists persuade the young that the West is bent on the destruction of their religion. When Gallup asked what the West could do to improve relations, most Muslims replied unhesitatingly that Western countries must show greater respect for Islam, placing this ahead of economic aid and non-interference in their domestic affairs. Our inability to tolerate Islam not only contradicts our Western values; it could also become a major security risk.

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