



Two Futures

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*This book arguably tells us more about the present than the future, and even more about today's Labor Party, writes Arthur Chrenkoff .*

What do political young guns do these days to make themselves stand out from the crowd of their backbench peers, and demonstrate to the public (and to their party) that they should be taken seriously as future contenders? Some become media darlings and doorstep fixtures. Some destabilise their leaders and precipitate spills. Others still write books, hoping to contribute to the intellectual debate and ideally change the country's policy direction.

Claire O'Neil and Tim Watts— two of Labor's class of 2013 (both coincidentally are Melbournians)— have chosen the third option, at least for now. Since the ability to write— or at least to get published—is not particularly valued in Australian politics, certainly not to the extent it is in countries like France or even the United States, time will tell if the joint authors of *Two Futures: Australia at a Critical Moment* have chosen wisely. Regardless of that, and regardless of one's opinion of their short tome, kudos to them both for trying.

As Yogi Berra (or Nils Bohr) once said, prediction is very difficult, especially about the future. O'Neil and Watts are well aware of the danger. 'We've chosen to talk about issues affecting Australia now, even if they are unfolding slowly,' they write, 'and we've picked a manageable timeframe of twenty-five years'.

Within the scope of this 20/40 vision, the Members for Hotham and Gellibrand build their narrative towards two possible scenarios for Australia (let's call them brutopia and utopia), while acknowledging that 'our most likely future sits somewhere in between them.' As such, the book arguably tells us more about the present than the future, and even more about today's Labor Party. And that's not necessarily a bad thing.

O'Neil and Watts are clearly intelligent people. Their book bios underline their education (Harvard Kennedy School and London School of Economics respectively) and private sector experience (McKinsey, and Telstra and Mallesons), as opposed to the usual union and political hackery we've come to expect from Labor politicians. As such, *Two Futures* has more depth, if not necessarily more readability, than your average pollie book. It is also refreshingly free (mostly) from partisan pointscoring, even if the end product still bears the unmistakable stamp of modern inner-city social democracy: one part common sense, one part statism, and one part political correctness.

The six challenges that O'Neil and Watts choose to focus on are the state of our democratic institutions, rising inequality, the impact of technological change, climate change, economic growth and Australia's role in our region. Whether or not you agree with their selection will largely depend on where you stand politically.

Many *IPA Review* readers would rather have an in-depth discussion about the challenge of an ageing population rather than economic equality, or would rather examine immigration, multiculturalism and social cohesion instead of the 'climate change' castles built on hot air. And not surprisingly, for a book written by Labor politicians, the challenge posed by the unsustainable growth of government and government spending does not rate a mention. Some have called this, and not climate change, the greatest moral challenge of our time.

But on the left, it remains more attractive to talk about polar bears drowning in Arctic waters than your own country drowning in debt.

The policy responses and remedies that O'Neil and Watts propose cover a wide spectrum, from the purely symbolic (getting rid of the Lord's Prayer in Parliament, replacing the Queen's Birthday with a Reconciliation Day) to the quite specific (making Asian language study compulsory in schools, and a designated digital diplomacy unit within DFAT).

Readers will probably find the chapter on technology the most congenial and conducive to a bipartisan approach. Crowd-sourcing the solutions to problems of government efficiency and service delivery, as well as designating a commissioner from the ACCC or the Productivity Commission to remove regulatory impediments to digital innovation (you could call him or her the Uber-commissioner) are good ideas in any book. But don't be lulled into a false sense of security;



many of O'Neil and Watts' other proposals will send chills down every conservative, classical liberal and libertarian spine.

While some of the policies outlined in *Two Futures* would cost little or nothing, many others (such as expansion of early education or increasing the use of renewables) would be prohibitively expensive.

It is all well to hype up early education's extraordinary future returns, but first somebody has to pay for it today. O'Neil and Watts don't seem to be much concerned with how to finance their significant expansion of government—an attitude all too typical of today's left.

There is no talk about cutting any spending, and what talk there is about government finances relates to increasing the tax grab through old favourites like the carbon tax, and eliminating or scaling back tax breaks that disproportionately benefit those better off (negative gearing, capital gains and superannuation concessions)—all practically or politically untenable.

While 'fairness' gets thrown around the pages of *Two Futures* like a Piketty confetti, there is no consideration given at all to intergenerational equity. Just how fair and equitable is it that our children and grandchildren will have to pay for O'Neil and Watts' higher spending today through higher taxes and higher debt tomorrow?

The verdict: A+ for trying, B for the focus and C- for solutions. If the future O'Neil/Watts Labor administration performs as well in real life, it will at least be an improvement on the Gillard/Rudd government. But best not to make any predictions.