

## A very very very bad government

[Alan Moran](#)

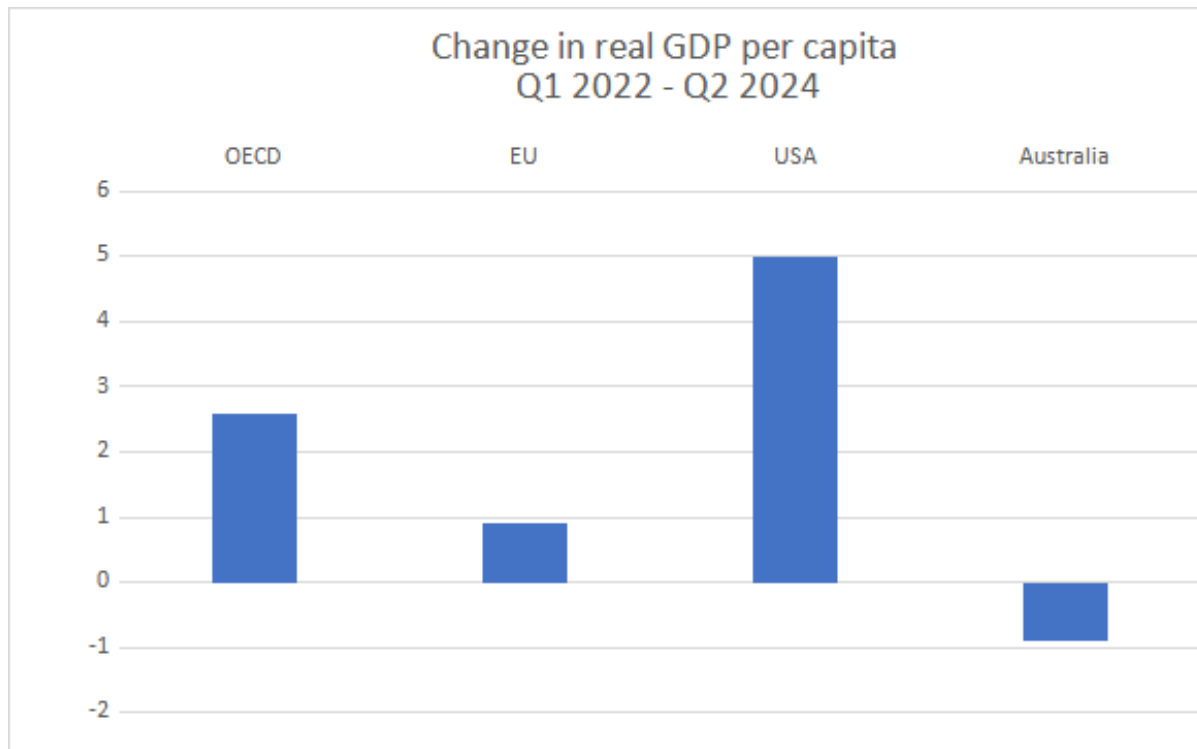


*Getty Images*  
[Alan Moran](#)

28 November 2024

According to Anthony Albanese, 'We came to office of course in 2022 with a number of challenges.' His problem is that his shocking mismanagement has brought just about the worst economic outcome in the developed world.

The most comprehensive measure of Australia's abysmal performance is real GDP per capita. With the installation of the Albanese government in May 2022, Australia's post-Covid recovery went into reverse. GDP per capita in the second quarter of 2024 remained below that of the first quarter of 2022. During that period, the US grew 5 per cent and the OECD as a whole was up over 2 per cent.



Source: [OECD](#)

Unsurprisingly, in view of the ALP's Industrial Relations policies, labour productivity has fallen over 3 per cent since the June quarter of 2022. Rising living standards are only possible with rising labour productivity and falling labour productivity translates into the widely recognised falling living standards.

Contributing to this is an expansion of low-productivity public service jobs which grew 3.6 per cent in 2023-24, three times as fast as those in the private sector.

In part, Australia's ongoing economic recession reflects measures being taken that have a particularly adverse impact on productive activities.

These include processes to constrain farming and fishing, including live sheep export bans, water takings from irrigators, reducing fishing, grounds especially in and around the Great Barrier Reef and ever-reducing timber-getting opportunities.

The mining industry has faced even more cost impositions from environmental and Indigenous heritage claims hitting coal, gas, and gold.

These are epitomised in the Labor government's \$8.3 million grant to the Environmental Defenders Office (EDO) to help it undermine the industry. An example of this 'success' is seen in Santos' \$5 billion Barossa gas project. The EDO's opposition has included financing research to support claims of Indigenous harm. With regard to that project Santos, opened legal proceedings against the EDO during which the [Judge said](#): *'I have drawn conclusions about the lack of integrity in some aspects of the cultural mapping exercise, which undermined my confidence in the whole of it.'*

Confronted by criticism from [business and industry leaders](#) and even from [Labor premiers](#), and facing an election, Mr Albanese has ruled out even more aggressive controls on mining approvals and other land uses. Such controls were proposed in negotiations between Environment Minister Tanya Plibersek and the Greens. In the event of a hung Parliament, a new Labor-Greens coalition would doubtless see them revived.

The damage already being done is to be compounded by delivering further fiscal batterings. Mounting budget deficits and hidden, off-budget spending of \$87 billion over the next four years is providing a sugar hit – except, as the data shows, it's not working

Added to this is the recruitment of Australian savings to the destructive waste involved in the 'transition' to renewable energy. The Treasurer claims not to be changing the \$230 billion Future Fund's priorities in favour of Labor's pet projects but then says the changes are meant to improve the fund's performance in keeping with the major challenges that Labor considers we face as a nation. At the heart of these projects is renewable energy and the subsidies which have already undermined low-cost reliable coal and damaged the competitiveness of the economy in general. The attack on fossil fuels has killed off nickel smelting and transformed the former showpieces of Australian industry – the aluminium smelters – into hospital cases.

Indeed, this week the vulnerability of the grid as a result of coal being replaced by subsidised and unreliable wind and solar was highlighted by the NSW Premier during a hot-ish spell asking people to turn down their airconditioning and defer doing laundry. The spot price peaked at 200 times its normal level and the energy market operator

used extreme [reserve trader](#) powers to ease the state's supply-demand imbalance. Undeterred, Climate Change and Energy Minister Chris Bowen established a new [review](#) to advise on how to further shift the electricity supply into renewables. Doubtless, the 'nudging' of the Future Fund's investment strategy towards the renewables so ruinously favoured by all involved with the Albanese government is only the *hors d'oeuvres* for a wider redirecting of the \$4 trillion in savings being managed by the superannuation funds. This would directly imperil retirement nest eggs while exacerbating the reduced competitiveness and lower living standards presently in train by the forced 'transition' from coal.

The catastrophe of the Commonwealth ALP government in domestic matters is intensified by its blunders in foreign policy. The barely disguised contempt of China's leadership for Mr Albanese is now compounded by a likely hostility from an American President harbouring memories of insults from both Ambassador Rudd and Mr Albanese himself (as well as from prominent Liberals like [Josh Frydenberg](#)). President Trump, as our nation's defender, will be unimpressed by our obvious failures to contribute to our own defence in spite of burgeoning spending generally – and hopefully nobody will draw his attention to the top-heavy nature of our military signified by us having one general for every 200 soldiers. (18 times the US number!)

And then there is the anti-Israel policy and the favouring of un-vetted Gazan immigrants and less than forceful responses to anti-Jewish demonstrations.

The Albanese government has doubtless proved the most incompetent in fifty years and is highly likely to be defeated as a result. But one shudders to contemplate a future in which it finds its way back to office.