

## The Sweet Spot

### Subtitle: How Australia made its own luck - and could throw it all away

*Peter Hartcher (± \$30) Paperback  
Black Inc 2011*

Australia is in a sweet spot, officially having the best living conditions in the world. We are the envy of the world and it's not all down to 'dumb' luck/being the lucky country' blessed with rich resources and not much more. We've come from lagging the US in terms of average income per head of the population by 40 per cent a decade ago to being ahead by almost a third in 2010. We made our own luck according to Peter Hartcher and it's not all about the commodities boom, not at all.

This book has been described as a tour through Australian politics and history. It tells the wonderfully entertaining story of how Australia started out as a penal colony, avoided the traps so many others didn't including avoiding the worst of the global financial crisis, and ended up being the envy of the world.

Hartcher strongly argues the role of past strengths and how we demanded true leadership from our political leaders. We too often underestimate the impact good leaders have had. So too with good and daring policies.

Along the way he feeds you stimulating information in such a digestible way that you learn without ever feeling that you're being preached at.

I list a few interesting facts/anecdotes that demonstrate how he keeps on surprising, whilst informing and provoking thought and debate:

- Australia's entire energy and mining sectors together only constituted 8.4 per cent of the national economy in 2010 (page 7)
- "Income inequality in Australia has fallen quite sharply since 2000. It is now below the OECD average for the first time" (page 10)
- The rate of murder in Australia is now back to almost the level of the 1950s (page 10)
- (Using the Gini index) Australia inequality is worse than those in countries such as Canada and Japan, but better than those in Britain, the US and Singapore (page 37).
- Australia is in the top ten countries where it is "easiest to do business" ahead of 173 others on the Ease of Doing Business index (page 50).

- Among 34 developed countries in the OECD, Australia benefits from the tenth lowest tax burden for firms (page 52).
- When secret voting was introduced in the US, they were following our pioneers and it was known as the "Australian ballot" (page 85).

I've loved the examples taken from everyday life that so well describe who we are as a nation. Such as the one about what made the queue outside the men's toilet special during the ashes test in Sydney in 2007. In the queue were, among others, the country's prime minister, John Howard, the leader of the opposition and future prime minister, Kevin Rudd, and the Catholic archbishop of Sydney, Cardinal George Pell. None pulled rank, but just waited for their turn, like everyone else. In Australia, that is not unusual. That is an example of what makes this nation unusual. But this relaxed and entrenched egalitarianism is also what puts us at risk. To think that thing just happen and they work out well. To not recognize that we need to keep on being special for this to last. To keep working at it.

There is the importance of fairness, among the very first to bring in minimum wage, Medicare, superannuation, economic freedom, the family payment system brought in by Howard that redistributed income from the richest to middle- and lower-income brackets, social mobility, low debt, and becoming one of the world's top ten food exporters. All explained with behind the scenes stories from our pioneering forebears.

This book is timely and well written. The balance between giving credit to both sides of the political divide, is superb. The subtitle, however, I think is a bit pretentious (maybe it came from the publisher rather than the author?) as the book doesn't address the "how we could now throw it all away" in enough detail. the story is much more about the economic history that made this country a great place to live in. And then an invitation to think about how could keep doing this in future.

I conclude with my favourite quote from this book "For half a century it was said that when America sneezed, Australia caught a cold. But in 2008, America came down with pneumonia and Australia went out to play cricket with the kids" (Page 202)

Chris Crause, 2012