

## The spoilt brat of Australian industry

*In a recent Discussion Paper, the Institute examined the aluminium smelting industry in Australia and around the world. The industry is a highly concentrated and very powerful lobby group, with instant access to Ministers. It also accounts for six per cent of Australia's greenhouse gas emissions. Hal Turton comments on the implications.*

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When Australia announced an anti-Kyoto alliance with the USA early this month, the loudest cheers were heard from the Australian Aluminium Council. While the industry and its lobbyists attempt to portray an image of genuine concern about climate change, they are quick to reject any effective proposal to cut emissions.

Ironically, the Australian Aluminium Council represents an industry that is largely foreign-owned. The six smelters in Australia are owned mostly by Alcoa (USA), Pechiney (France), Rio Tinto (UK), VAW (Norway) and a consortium of Japanese companies (see chart). The decisions affecting the operations of these smelters, and on future investment, are not made in Australia, nor are they necessarily for Australia's benefit. The Australian government would do well to bear this in mind when dealing with this interest group.

The aluminium industry throughout the world has a history of playing governments off against one another, and frequently threatens to relocate from particular regions if it doesn't get its way. For example, Comalco (owned by Rio Tinto) recently held off on choosing Gladstone for the site of expanded alumina refining operations while it waited to see whether the government of Queensland or Malaysia would offer a larger subsidy.

Similar tactics have been employed during greenhouse policy development, with the industry consistently threatening to direct investment away from

Australia should the Government introduce anything other than weak and ineffective policies. This is a well-worn tactic, employed to great effect in the 1970s in the Pacific Northwest of the USA where several smelting companies colluded and threatened to relocate *en masse* unless they received electricity at the price they wanted.

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### What would happen if the Australian Government stood up to the multinational aluminium smelters and called their bluff on greenhouse?

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These are all forms of corporate brinkmanship. Corporations negotiating with other corporations behave in this way, so it is hardly surprising that when negotiating with government, they attempt to secure the most favourable arrangements (regardless of whether they are necessary for the viability of their operations). However, unlike corporations, governments may be more likely to make rushed decisions for short-term political gain at the expense of long-term financial considerations.

So what would happen if the Australian Government stood up to the multinational aluminium smelters and called their bluff on greenhouse? The smelter-owners in Australia have argued that introducing greenhouse gas abatement policies that raise the price of fossil fuel energy would force them to relocate,

probably to developing countries not covered by international greenhouse gas abatement targets, and this would result in a worse environmental outcome.

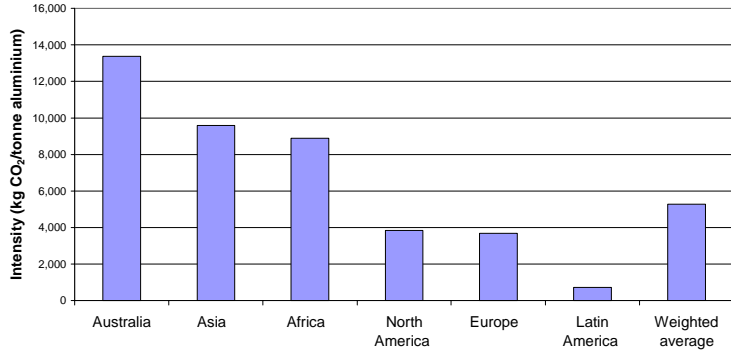
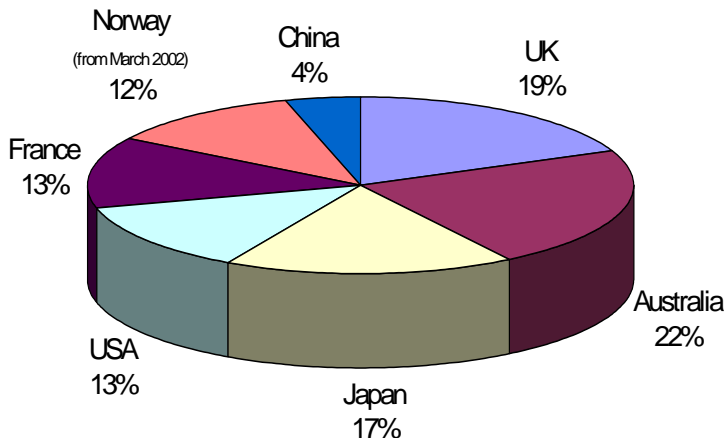
They also argue that it would result in a worse economic outcome for Australia. However, the Institute's analysis suggests that neither is true.

**Relocation of the industry to anywhere would lower global greenhouse gas emissions.**

First, would the industry relocate? Even the industry's preferred consultants (ACIL) acknowledge that Australia has many competitive advantages, including political and economic stability, well-developed infrastructure, technological expertise, competitive transport costs and highly reliable and cheap alumina supplies.

No developing countries can match these – indeed it would be foolish for the head of a multinational corporation to risk Australia's advantages to locate in a politically or economically unstable developing country to secure slightly cheaper energy for a 40-year project, particularly when this price advantage may evaporate in a relatively short time as developing countries too move to take on greenhouse gas targets.

**Ownership of the Australian aluminium industry**



**Electricity-related greenhouse gas intensities of aluminium smelting, 1998**

Would relocation result in a worse environmental outcome? Compared to other regions, Australia's aluminium smelting industry is the most greenhouse gas intensive. Greenhouse gas emissions from electricity per tonne of aluminium smelted in Australia are around two-and-a-half times the world average.

Accordingly, relocation of the industry to anywhere would, in all likelihood, lower global greenhouse gas emissions. Even the emission reductions achieved by the Australian industry over the last decade have been matched by smelters throughout the world, and exceeded by those in developing countries.

Meanwhile, the industry in Australia continues to dupe the government into believing these reductions are a result of its much-vaunted, but highly criticised Greenhouse Challenge Program.

Would relocation of the industry damage the Australian economy or lead to large job losses? The aluminium smelting industry in Australia is subsidised to the tune of \$250 million per annum in the form of cheap electricity. This has come about because various state governments have agreed, sometimes unwittingly, to provide power at a price well below that which would prevail in a competitive market.

**These subsidies amount to a little under \$50,000 per employee per annum.**

The Victorian, Tasmanian and NSW Governments now find themselves locked into highly unfavourable contracts that result in other taxpayers and electricity customers subsidising the smelters, while in Queensland the owners of the Boyne Island smelter persuaded the Government to sell them a power station at a \$400 million discount, thereby securing cheap electricity at the expense of the state budget.

These subsidies amount to a little under \$50,000 per employee per annum. This subsidy could be used to generate a greater economic stimulus and promote many more jobs in other less-polluting industries.

It's time for the federal and state governments to recognise that the industry is busily protecting its own interests, and these interests may well be inconsistent with the best interests of Australia and the global environment. ■

## Measuring poverty: How to decide?

*The latest NATSEM/Smith Family report on Financial Disadvantage in Australia reported that the proportion of Australians living in poverty between 1990 and 2000 rose from 11.3 per cent to 13 per cent. But according to the Centre for Independent Studies, NATSEM and the Smith Family deliberately exaggerated the extent of poverty in Australia. Pamela Kinnear evaluates the debate.*

The recent clash of theories about how best to measure poverty in Australia led the welfare sector to express frustration about the focus on technical issues over the urgency of poverty reduction. While frustration is understandable, it remains important to know whether Australian efforts to reduce poverty are working or not. To do this, we need to be able to define poverty and measure it in an agreed manner.

But this is easier said than done. An entire academic industry is devoted to developing methods than can accurately measure poverty against a series of highly complex technical, philosophical and practical constraints. So it is often difficult for the 'person in the street' to decide between protagonists in such highly politicised debates.

### The findings

NATSEM found that the incomes of poor families have increased by around \$38 per week over the past 10 years. This was only half the rise in *average* incomes, which have increased by \$66 per week. The average income has been driven up mainly by large increases in the top-end of the income distribution – those in the top 5% of income earners have seen their weekly income increase by \$172 (see the figure). On this basis, NATSEM concludes that the gap between the poor and average incomes has increased from \$80 in 1990 to \$109 in 2000.

NATSEM's main conclusion – that poverty is increasing and that one in every eight Australians now live in income poverty – was widely reported in the media.

### The critique

The CIS quickly drew attention to the fact that despite NATSEM's findings that Australia's poorest families were *better off* in terms of absolute incomes during the 1990s, they nevertheless claimed that poor families are *worse off* because the gap between poor families and the earnings of others is widening.

Rather than measuring 'absolute' levels of poverty – that is, where people have insufficient means to maintain a minimum standard of life – the NATSEM/Smith Family report chose to use a 'relative' measure of poverty – that is, where people are defined as poor if they fall a long way short of what others receive. Moreover, the CIS maintains that NATSEM further exaggerated the extent of poverty in Australia by analysing changes in *average* income, rather than using *median* income,

a measure they claim is more conventionally used.

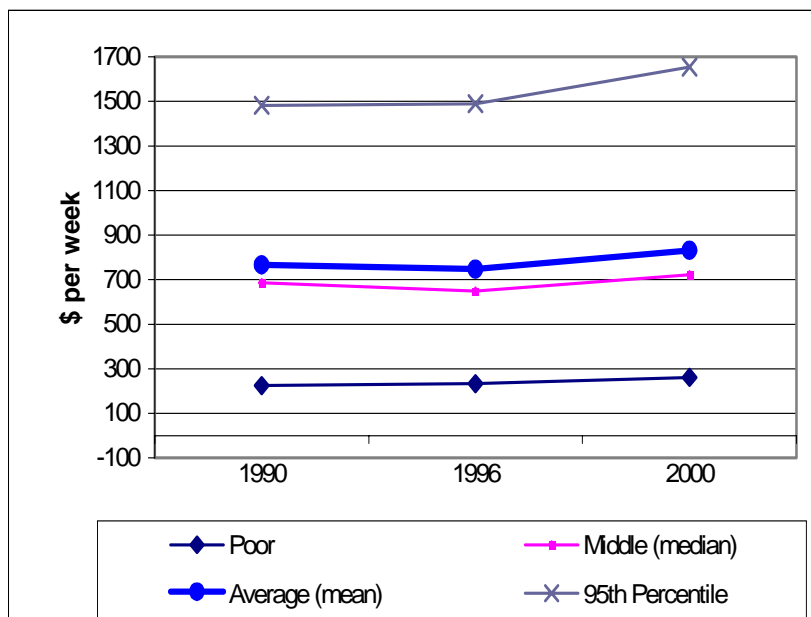
The CIS argues that the gap is artificially inflated by the presence of 'extreme outliers' in the high-income range and that a more accurate indicator of actual levels of poverty would be median income. This is a perfectly valid and conventional way to measure poverty, and NATSEM also provide the results of poverty measured by median income. Doing so shows that poverty has remained stable over the past 10 years.

### Absolute or relative poverty?

So what should we make of the contrast between the decline in absolute poverty (the poor getting richer) and the rise in relative poverty (the poor falling further behind everyone else)?

*☞ continued on page 12*

*Trends in poor, middle, average and top incomes (after adj. for inflation) 1990-2000*



# Tuvalu's last legal resort

***Most Australians had never heard of Tuvalu until in early March at CHOGM the Prime Minister of the tiny Pacific atoll threatened to sue Australia for what it sees as international vandalism. The Institute has been pointing out the importance of climate change to Commonwealth nations for some months and takes some credit for putting it on the CHOGM agenda. Clive Hamilton reports.***

In what may well be a protracted David and Goliath struggle, Prime Minister Talake announced at CHOGM that his country is considering taking legal action against Australia because of its responsibility for global climate change.

Australia is reported to have tried to bully Tuvalu's small population of 12,000 into silence but its Prime Minister's announcement shows Tuvalu is not going to be intimidated, a stand which could turn out to be one of the more significant developments of CHOGM 2002.

Lying only 2-3 metres above sea level, north of Fiji and south of the also threatened Kiribati, the nine tiny islands that comprise Tuvalu face inundation from rising seas by the end of the century if the projections of the world's climate scientists turn out to be true.

In launching a case against Australia, possibly before the International Court of Justice, the islanders are doing no more than applying a basic principle of law – if someone does you harm then you

should be able to stop the aggressor from harming you and seek restitution.

The International Covenant on Civil and Political Rights declares that a people may not be deprived of its means of subsistence. Yet, if climate change is not addressed, that is precisely what appears likely to happen in the case of Tuvalu and Kiribati.

A case could also be brought against nations that fail to take measures to cut their emissions before the World Trade Organisation arguing that they gain an unfair trade advantage over other countries that implement effective greenhouse gas abatement measures.

Australia's recent anti-Kyoto alliance with the USA will mean that those two countries do nothing while Europe and Japan begin the process of cutting their greenhouse gas emissions. It will be no escape for the Australian Government to argue that we are a small emitter. Australians have the highest levels of greenhouse gas emissions per person in the industrialised world; our total emis-

sions are greater than those of Italy and France.

Tuvalu is not the only Commonwealth country that faces a bleak future due to climate change. Commonwealth countries in Asia and Africa face declining food production – up to 30 per cent on the Indian subcontinent – and the spread of diseases such as malaria and dengue fever. Bangladesh faces the loss of up to 17 per cent of its productive landmass, and atoll countries like the Maldives and Kiribati face the extinction of their entire cultures if sea levels rise as predicted.

Australia's efforts to keep the issue of climate change off the CHOGM agenda came after years of heavy-handed attempts to silence Pacific leaders on the issue. At the 1997 South Pacific Forum in the Cook Islands, the Howard Government threatened to withdraw foreign aid unless the island states agreed to water down a strong statement on climate change to be taken to Kyoto.

Last year at the Pacific Island Forum in Samoa, 15 nations tried to include reference to 'environmental refugees' and compensation for people affected by climate change in a statement to be sent to the World Summit on Sustainable Development in Johannesburg this September. Australia insisted that they be removed and, after a tense stand-off, the 15, including New Zealand, backed down.

The Australian Government has dismissed the overwhelming consensus of the world's most authoritative scientists and the concerns of Pacific leaders about sea-level rise by referring to the work of the National Tidal Facil-

## Sea-level spin

The Australian Government has frequently dismissed the concerns of Pacific Island governments by claiming that there is no evidence of sea-level rise. Pacific islanders have said that they feel 'disempowered' when a regional superpower uses 'science' to contradict their everyday observations.

The Australian claim is based on the work of the National Tidal Facility located at Flinders University. The NTF has been measuring sea levels using gauges in the Pacific since 1994 under an AusAID-funded project.

In fact, as the Facility has been collecting data for only 6-7 years, no conclusions can be drawn about sea-level rise. At least 50 years of data are needed before anything useful can be said about sea level change using gauges.

The Government would do better by listening to the CSIRO experts who share the world scientific consensus view that sea-levels are rising, and rising more quickly due to global warming.

ity, an Australian aid-funded project that has been measuring sea levels in the Pacific since 1994. In fact no conclusions about sea-level rise can be based on this data as it has only a handful of measurements.

Prime Minister Talake told CHOGM delegates that the evidence of his own eyes debunked Australia's arguments. Islands on which he had played as a child had either sunk or were sinking; extreme tides in February last year were higher than he had ever experienced in his 60 years.

Late last year a senior Tuvalu official, Mr Paani Laupepa, told the BBC that Tuvalu had approached New Zealand and Australia to accept people displaced by rising seas: "While New Zealand responded positively in the true Pacific way of helping one's neighbours, Australia on the other hand has slammed the door in our face".

The people of Tuvalu wish to protect not only their lives but their culture. Legal action in the face of Australian recalcitrance may be their last resort. ■

## We hate to rub it in Tony, but ...

"Unemployment statistics would include the percentage of people underworked and overworked under a Labor proposal released yesterday.

Labor's employment spokeswoman Cheryl Kernot said the current single unemployment rate masked a divide between those with too much work and those with too little. ....

Under her scheme – based on research by the Australia Institute – the Australian Bureau of Statistics would survey respondents on both questions monthly." *Herald Sun, 28 February 2001*

"Employment Minister Tony Abbott said Ms Kernot had failed to realise that the figures already contained information on underemployment. 'Ms Kernot seems unfamiliar with this aspect of the employment portfolio,' he said." *The Age, 28 February 2001*

"The Australian Bureau of Statistics has conceded that its measure of unemployment does not tell the whole story and has promised a new job gauge covering under-employed workers and discouraged job seekers. From the middle of this year the bureau will introduce a quarterly rate of labour force 'under-utilisation' to supplement its monthly labour force survey." *The Age, 28 February 2002*

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## Welfare cheats, or something else?

Developing initiatives to crack down on 'welfare fraud' has been a central plank of the Government's social security policy. Minister for Family and Community Services, Amanda Vanstone recently declared:

Lower-income people in a job are my greatest motivation for getting at welfare cheats ... I don't see why someone on a low income should work hard and have their taxes taken and then watch as the Government doesn't exercise its full power to ensure those taxes are spent diligently (SMH, 16 January 200)

It's important to challenge this language of division. The newspaper article in which the above quote appeared maintained that 'most overpayments are the result of errors by the recipient or Centrelink' (emphasis added).

Cases of genuine errors do not jump to peoples' minds when they think of 'welfare cheats'. Rather, the term

brings to mind active, intentional defrauding such as lying or deliberately withholding information in order to claim benefits to which they are not entitled. Such behaviour appears to be rare.

Moreover, the division between 'low-income people in jobs' and 'welfare cheats' is by no means straightforward. Plenty of 'low-income people in jobs' receive government benefits of various types and it's difficult to imagine that these would not also be subject to errors and overpayments as well as to intentional fraud.

Early in March the Government announced a suite of reforms designed to 'help our most vulnerable job seekers, while keeping the breaching regime tough for those who deliberately try to cheat the system'. Whether the reforms are capable of achieving this goal has yet to be assessed. But the timing of these reforms, only a few days before the Report of the *Independent Inquiry*

into *Social Security Breaches and Penalties* was released, is of concern.

The Inquiry was commissioned last year by welfare organisations and some job network agencies who were concerned about the sharp rise in breach-rates. An Independent Review panel conducted by Professor Dennis Pearce, Law (ANU) and Heather Ridout, Deputy Chief Executive, Australian Industry Group and Julian Disney, Director, Social Justice Project, UNSW found that many people had suffered arbitrary, unfair and excessive penalties and that the system was 'counterproductive'.

But already Minister Vanstone has dismissed the report as doing little more than 'peddling old myths about Centrelink'. It is clear that the Government will be unsympathetic to further reforms based on the views of those who work on the ground with unemployed people.

Pamela Kinnear

# The revolt of the magic pudding

## Sharing care in Australia

*Visiting the ANU from the United States, Professor Nancy Folbre, feminist economist and acclaimed author of 'The Invisible Heart', gave an Australia Institute Public Lecture titled Sharing the Care: Feminism and Family Policy in the U.S. and Australia. Professor Folbre challenges Australia to think more broadly about solutions to the work and family dilemma. This is an extract from her lecture.*



One of the most important things I've learned in Australia is the story of *The Magic Pudding*. According to Norman Lindsay's classic children's tale, a lovable but rather clueless group of males come into possession of a Magic Pudding that provides a limitless supply of food. No matter how much they eat, ample supply always remains. The pudding in question is rather cranky, and occasionally tries to run away. In the end, however, it is fenced in to its own little paddock in a tree house, firmly in the possession of the Society of Puddin' Owners.

Times have changed since this story was published in 1918. We know now that the pudding is not really named Albert. It's real name is Mother. It metaphorically represents the source of feminine altruism that has provided the major supply of care for children, the sick, and the elderly, and also many working age adults. This supply remains magical in its ability to meet the needs of its loved ones. But it is not (and never has been) inexhaustible. Indeed, there are many signs that it is wearing thin.

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**Markets ... cannot do a good job of coordinating the care and nurturance of dependents who are not free to choose.**

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It's not hard to imagine why. Consider who you would like to be when you grow up: Bunyip Bluegum, free to venture out into the world with nothing but a walking stick, or Magic Pud-

ding, a captive in a cookpot available to meet everyone else's needs.

Over the years of venturing into the world, feminists have learned not only that women have a long way to go to achieve equal rights, but also that equal rights are not enough. Men and women have equal obligations to care for dependents, as well as equal rights to pursue their own priorities. We need to rethink our 'social family contract'.

### The 'invisible heart'

Conventional economic theory has misled us. Our economic accounting systems value market transactions but ignore the value of natural assets and non-market work. Thus, any shift of resources from non-market to market is a shift from 'uncounted' to 'counted':

- A company saves money by dumping unprocessed wastes into the environment, because it averts a cost that would otherwise be counted against its revenues. The cost to current and future generations goes uncounted.
- Adults increase their hours of paid work, increasing both family income and Gross Domestic Product. But the reduction of time they might otherwise have devoted to raising children or caring for their elderly or disabled members goes uncounted.

- Individuals who conform to the 'ideal worker' image – unencumbered by family responsibilities—enjoy high wages and rapid promotion. Individuals who fulfill commitments to their families and communities get the message that they are less 'competitive' and less valuable to society. Yet, without the unpaid care these individuals provide, society would fall apart.

Markets can do a good job of coordinating the choices of autonomous, self-interested individuals. They cannot do a good job of coordinating the care and nurturance of dependents who are not free to choose. For this, we need families and States that offer mutual support for one another within a larger social democratic polity.

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**No wonder that fertility in Australia ... is now far below replacement level.**

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Families alone cannot do the job, because competitive markets penalise those who devote themselves to the production of unpriced goods. The very expansion of opportunities and choices in the market increases the 'opportunity cost' of time devoted to activities of public rather than purely private benefit.

It is sometimes popular to argue that the decision to raise a child is nothing more than a discretionary form of consumption, like raising a kelpie. Why then,



should taxpayers be asked to support it? ‘You propagate, you pay’! Perfect market-based reasoning. But most pets do not grow up to become taxpayers, workers or citizens. And market goods are subsidised by mothers and fathers who do the non-market work of raising children. Every time you hire a wage earner, or buy a product that was produced by a wage earner, you are benefiting from the altruistic contributions of the parents, other family members, and poorly paid care workers who developed that worker’s capabilities.

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**Social policy should not force us to choose between more support for family caregivers and support for paid care.**

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The analogy in a robot-based economy, would be consumers paying for the batteries and spare parts needed to keep robots going, but not for the actual cost of producing them. This is because intrinsically motivated robot-makers were willing to charge only a token amount for their services. One might expect such robot-makers to tire of providing free services to robot-users, as the opportunities cost of their intrinsically motivated activities goes up.

No wonder fertility in Australia, as in many other countries, is now far below replacement level.

**Sharing the care**

Recently, Australian academics have been vigorously debating whether policy should provide a greater family allowance for parents or greater public provision of child care. But this is, to some extent, a false debate. Social policy should not force us to choose between more support for family caregivers and support for paid care. Both are needed and the care should be shared around.

Australia offers both modest tax support for childrearing and some publicly provided care. But these expenditures, (or rather, ‘investments’) are too low. Australian mothers assume a disproportionate and unfair share of the costs of raising children. While some might say such specialisation is ‘their choice’, it is a highly constrained choice. Given more options, many mothers would prefer to share both the financial and the time costs of rearing children more equally.

Liberal feminists promote a ‘what’s good for the gander is good for the goose’ strategy in which women adopt a traditionally masculine lifestyle without the support of a full-time homemaker, and the ‘mums stay home’ strategy reinforces a division of labor disadvantages women and impedes fathers’ active participation family care.

The alternative is to modify paid work in ways that make it easier for everyone to combine it with care activities, reducing the standard length of the work week and ensuring more flexible work schedules. Women tend to think in terms of five distinct life stages: schooling, paid employment, family care, more paid employment, and retirement. Men think in similar terms, but with no specific time out for family care. Why not blend all these stages a bit more, making it easier to combine these activities rather than to specialise in one at each stage?

In addition to creating more time for care activities, such a reorganisation would make it easier for young people to combine paid employment with higher education. It would also make it easier for individuals to engage in the kind of lifelong learning necessary to high productivity in an era of rapid technological change.

Many people might be willing to postpone their retirement from paid employment by several years if that paid employment were less stressful and demanding, so some improvement could come even without any reduction in paid work hours. The details of this alternative have yet to be worked out through a combination of rules, tax incentives, and new cultural norms. But some promising inroads are being made in this area.

This will be a difficult and contentious journey. But as we set out on it, with Magic Pudding, we should remember that Bunyip Bluegum, darling little bear that he is, is perfectly capable of helping to cook and replenish the pudding that he likes so much to eat.

I urge Australians to participate actively in the process of further developing this vision of a dual earner/dual carer economy. ■



A full copy of Professor Folbre’s paper

**Sharing the Care**

can be read at the Institute’s website at

**[www.tai.org.au](http://www.tai.org.au)**

Under What’s New

# The silence of the good

## Taking child abuse seriously

*What will happen to the issue of child sexual abuse when the media finally and inevitably gives up the story of the Governor General's 'blind eye'? Will child abuse survivors and those who help them be any better off? Pamela Kinnear, Institute Research Fellow joins together with Shona Chisholm, an expert in child sex abuse and Jacqui Rees, journalist and activist, to offer some thoughts.*

Over recent weeks Australia has been forced to face the issue of child sex abuse head on. But it's tempting to evade the uncomfortable truth that Peter Hollingworth is not the only one to have turned a blind eye.

For decades activists have been saying that, while a sanctuary for some, for others the churches are far from safe. Although awareness has increased about the abuse of young boys by priests, the recent scandals have shown that this issue is only the tip of the iceberg.

Adult survivors of child sex abuse within the churches have few places to turn for help. But this is not for want of trying. Seven years ago, a Canberra agency set up to counsel adult survivors within the church context ceased operating due to lack of support from churches and inadequate Government funding. This was despite having an 18 month-long waiting list. Other organisations that advocate change around the country are in straitened circumstances with limited financial and moral support from Government, the churches or other community agencies.

**"We shall have to repent in this generation, not so much for the evil deeds of the wicked people, but for the appalling silence of the good people."**

**Martin Luther King**

### Opportunities

The advantage of the high-level focus on the attitudes and actions of the Governor General is that the issue of child sex abuse is firmly on the public agenda. What a vindication for those who have been banging brick walls to finally have the fate of a nation's highest office hanging on this crucial issue.

This is a step forward which must not be allowed to be forgotten. In stubbornly refusing to take advice from others, Dr Hollingworth has provided a very public lesson of how *not* to respond to victims of child sex abuse. His failure should be a constant reminder that children will only be safer if the old maxim of 'forgive and forget' is replaced by a new maxim of 'listen and learn'.

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**Hollingworth has provided a very public lesson of how *not* to respond to victims of child sex abuse.**

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### Risks

The media plays a critically important role in bringing hidden issues to public attention. But it can also engage in opportunistic bandwagon-jumping for the sake of a juicy story. Stories that are the flavour of the month can be dropped like a hot potato when the newsworthiness fades. And the longer the bandwagon continues, the greater the risk of the public feeling that 'enough is enough', turning their sympathy in favour of the Governor-General's apologists.

### **Reports and publications on child sex abuse within the Church**

- 1989 *Public Face, Private Pain: About violence against women and the abuse of power within the church community*, A project for the Anglican Diocese of Melbourne, supported by CASA House and the Royal Women's Hospital, Melbourne
- 1990 *A Pastoral Report to the Churches on Sexual Violence against Women and children of the church Community*, CASA House, Royal Women's Hospital, Melbourne
- 1993 *Sexual Assault and other forms of violence within the Australian Community: Religious and Faith Perspectives*, CASA House, Royal Women's Hospital
- 1996 *Towards Healing: Principles and procedures in responding to complaints of sexual abuse against personnel of the Catholic Church* Australian Catholic Bishops' Conference





**It is very tempting to take the side of the perpetrator. All the perpetrator asks is that the bystander do nothing. He appeals to the universal desire to see, hear and speak no evil.**

**The victim on the contrary asks the bystander to share the burden of pain.**

**The victim demands action, engagement and remembering.**

**Judith Lewis Herman**

Rallying around the wrong-doer and ignoring the victim is a well-worn response to sexual abuse – a strategy guaranteed to divert attention from the main issue. The main issue here is that the man held up as our most exemplary citizen avoided, ignored and disbelieved the stories of victims and their advocates.

It appears that rather than availing himself of advice from those at the coalface to help him understand the problem, Bishop Hollingworth chose – both then and now – to rely on apparently ill-informed instincts.

**Children will only be safer if the old maxim of ‘forgive and forget’ is replaced by a new maxim of ‘listen and learn’.**

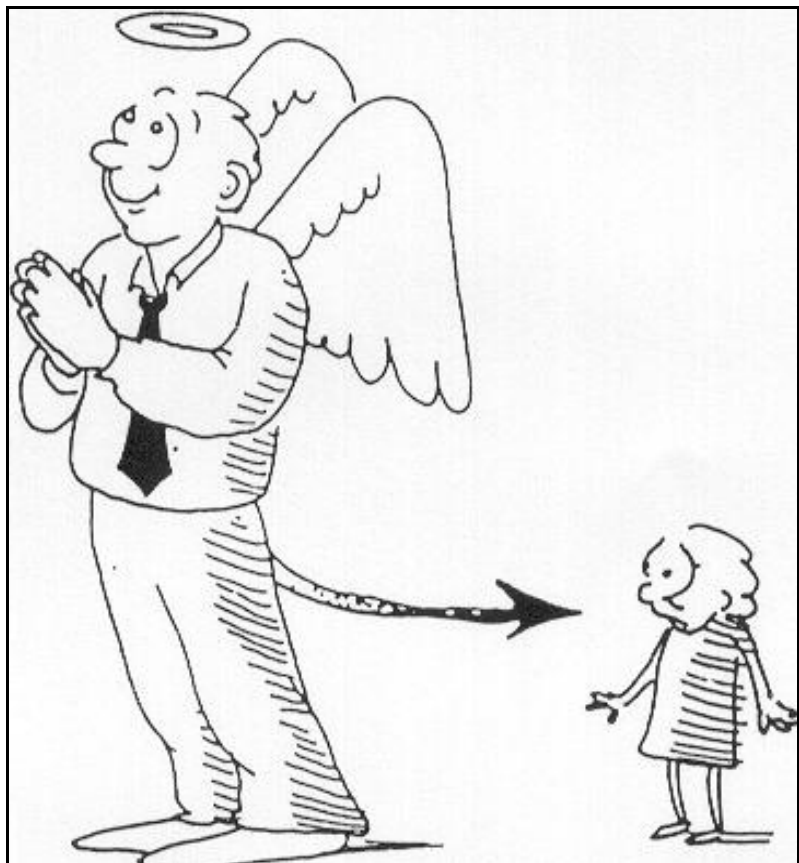
His serious errors of judgement had devastating consequences for several victims and for others who would be vulnerable to the perpetrators. And finally, rather than reflecting humbly on his past actions, he constructed a defensive blockade, dug himself deeper with every utterance, and caused further suffering for one victim who he painted as implicated in her own abuse.

The media should alert the public to such anachronistic and damaging attitudes and behaviour in one of our most influential public figures. But a measure of whether the media has acted as a lynch mob or as a legitimate form of public protest will be whether it strives to ensure that the issue is never again pushed underground.

Past reports and inquiries – often generated by media exposé – have apparently failed to permeate Dr Hollingworth’s conscience. The legacy this time must go beyond knee-jerk calls for the establishment of more and better protocols and codes of conduct for dealing with child abuse cases within the Church or other institutions likely to be guilty of turning a blind eye.

A good start is the National ‘March for Children’ planned to take place in every capital city on Sunday, 14 April 2002.

Instead of returning our heads to the sand we all have a role in ensuring that this crisis serves as a continual reminder of the distorting influence of power and patriarchy, of the systemic foundations of sexual abuse, of wilful institutional and collective ignorance, and of our willingness to express outrage at the splinter in our brother’s eye and ignore the plank in our own. ■



## Australia echoes 'big brother' again

*Preparatory meetings for the UN conference on 'Finance and Development' to be held in Mexico in March 2002 offered a significant opportunity for better distribution of the fruits of globalisation. But, as John Langmore argues, Australia has once again stood with the United States in defiant non-cooperation and thwarted efforts to bring about global equity.*

The international community has begun to realise the potentially explosive inequities that come with globalisation. The Declaration adopted by the UN Millennium Assembly states,

*We believe that the central challenge we face today is to ensure that globalisation becomes a positive force for all the world's people. For while globalisation offers great opportunities, at present its benefits are very unevenly shared, while its costs are unevenly distributed.*

Preparations for the upcoming UN conference on 'Financing for Development' in Mexico to be held in March 2002 offered an unprecedented opportunity for concrete advances in setting a framework for action to realise the vision set forth in the Declaration.

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**The present Australian Government is alone in considering that the United Nations has no role in discussion of economic and social policy.**

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The fact that most developing countries need additional external financial resources to improve their rate of development should be especially easy for Australians to accept. Our country has depended on foreign investment for most of our history. So, for impoverished countries with extremely limited capacity to

save or tax, the picture is surely even clearer. But rather than global net capital flows contributing to development, in each of the last five years there has been a net *outflow* of funds from developing countries. In 1999 and 2000 the US alone received over 60 per cent of total net international capital flows.

The present Australian Government stands alone in its view that the United Nations has no role to play in economic and social policy. Australia was the only developed country that did not send any public servant from its capital for the Special Session of the General Assembly in Geneva in June 2000, and the only developed country (other than Japan where an election was being held that week) that did not send a minister to lead its delegation.

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**The NGO report card on the day gave Australia a 'D' with the comment 'always echoes his big brother!'.**

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The organisational session for the March 2002 'Finance for Development' Conference agreed on an agenda including the major issues: domestic financing; international private finance; trade; Official Development Assistance (ODA); debt; and systemic issues. After many preliminary reports and consultations, a Facilitator prepared a draft outcome document that included analysis and strategic proposals as well as concrete initiatives.

As expected, the international groupings differed widely in their responses:

- The moderate Iranian leader for the G77 (developing countries) said that despite some reservations, the draft was 'a good basis for the beginning of our deliberations and negotiations'.
- The EU described the Facilitator's draft as 'unbalanced and incomplete', but Belgium, on behalf of the EU, nevertheless maintained that it could 'serve as a starting point for our discussions this week.'

But in contrast the US, Japan and Australia completely condemned the Facilitator's draft. The US delegate also repudiated the negotiation process, arguing instead for a one-page political declaration asserting that the fundamental requirements for development are simply peace, the rule of law and capitalism – a particularly surprising approach in the light of the US efforts to strengthen the global alliance against terrorism.

The Australian diplomat said that the facilitator's draft 'exhibits neither balance ... nor a practical awareness of what is achievable' and considered its initiatives to be 'inappropriate, impractical and ineffective'. Many delegates expressed surprise and disappointment about this. The NGO report card on the day gave Australia a 'D' with the comment 'always echoes his big brother'.

Australia's comments were a repudiation of multilateral engagement in an especially vivid way.

To imply that the proposals in the paper were a wish list was simply ill-informed. The Facilitator's draft had a clear provenance: every idea had been carefully considered and supported with professional comment and each proposal had been widely supported by delegates and official representatives. Australia's comments were a repudiation of multilateral engagement in an especially vivid way.

At the final preparatory session in January, the US supported by allies achieved emasculation of the text. Most concrete proposals were deleted and even references to global public goods such as a concerted attack on HIV/AIDS were cut out. The US said that President Bush would not attend if global public goods were even mentioned!

Another conference is envisaged and some important issues remain on the agenda. But an opportunity has been lost to make a breakthrough on desperately needed finance for essential education, health and infrastructure. The rich world, including Australia, has betrayed the poor again.

*John Langmore is the ILO representative at the UN.*

## ... and another reason for more women in public life

'While often affable, and always loquacious, [health fund lobbyist Russell] Schneider can turn nasty. A recent vitriolic attack on Australia Institute academic Julie Smith was extremely unbecoming. "You've got to play hard sometime," he said, without conceding that his attack on Smith was over the top.

"My father always said 'don't ever pick a fight – but make sure you finish it' and 'don't throw the first punch – but make sure you throw the last one'."

Ray Moynihan, *Australian Financial Review*

28 February 2002

Trouble is, it was the Australian public health system that was king hit.

## The importance of being earnest

It seems that some aspects of conservation are too serious to joke about.

On 24th February Institute Executive Director Clive Hamilton presented a talk on ABC Radio National called 'Cashing In On Koalas'. He argued that a koala hunting industry on Kangaroo Island aimed at attracting trigger-happy American tourists would be a boon for the economy and for conservation.



The ironical nature of the talk was lost on many listeners, some of whom have expressed outrage.

For the record, the Institute does not support allowing children with guns to shoot caged koalas at short range. Nor have we been commissioned by Wilson Tuckey to carry out a feasibility study of the proposal. And the Institute has not had discussions with the Australian Tourist Commission about a feature film starring an intrepid larrikin named 'Koala Dundee'.

In short, we still love koalas. The talk may be read under "What's New" on the Institute website – [www.tai.org.au](http://www.tai.org.au).

# INSTITUTE NOTES

## **New Publications**

- *The Aluminium Industry: Structure, market power, emissions and subsidies*, Hal Turton, Discussion Paper No. 44, January 2002
- *Taxes and Charges for Environmental Protection*, Clive Hamilton, Richard Denniss and Hal Turton, Discussion Paper No. 46, March 2002
- *Professor M G Neutze: An ethical economist*, a memorial paper by Julie Smith January 2002

## **Forthcoming Publications**

✓ *New Families*   ✓ *Private Prisons*   ✓ *Australian and International Human Rights*   ✓ *Property Rights*

## **Membership News**

Since its inception in 1994 Institute members have come and gone, but last week the Institute reached member number 1,000. Our number one ticket holder from 1994, and still a current member, is the Rev. Alan Wright of Victoria.