

Knocking Down the White Picket Fence

The Institute's discussion paper New Families for Changing Times by Pamela Kinnear attracted strong reactions, not least because it directly challenged the conservative rhetoric of moral decline. Dr Kinnear explains.

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Since the 1960s, change in marriage and sexual behaviour in Western societies has been rapid and extensive. Such far-reaching change is, of course, no trivial matter. But if we are to believe conservative politicians, church leaders and commentators, it is nothing short of disaster.

'Family breakdown', we are told, is due to a wider decline in moral values and the unhealthy dominance of selfish individualism over more traditional values of responsibility and obligation. As National Party leader John Anderson recently told his party conference, the erosion of family values has resulted in a "self-indulgent push for doing whatever feels good whenever we want to do it" that comes at the cost of "far too many of our children."

Parents and their children are engaged in an intense, difficult but potentially rewarding project of re-inventing family life.

But as the world undergoes rapid, turbulent and far-reaching transformations in economic, cultural and political spheres, family life cannot be expected to remain static and untouched.

Modern parents face a complex world with competing pressures and unique risks. Far from selfishly sacrificing children on the altar of parental sexual and personal gratification, for the most part, parents and their children are engaged in an intense, difficult but potentially rewarding project of re-inventing family life for a rapidly changing world.

Of course, it is important to monitor and respond to the pitfalls of family change –

particularly where they have an adverse effect on children. That is why this has been the overwhelming emphasis of research and public debate to date, with the effects of divorce on children serving as a kind of 'canary in the coal mine'. The canary is certainly not thriving, with children from separated families apparently worse off on a range of measures than children from intact families.

Families are what families do

However, it is far too premature to be writing the canary's obituary. Recent research has shown that the difference between children from intact and separated families has been exaggerated and is often falsely attributed to the separation. We now know that many children will suffer if, or even because, their parents stay together. A good deal of post-divorce problems can be explained by the quality of pre-divorce family life and most children from separated families do very well.

We also now know that a range of factors – such as financial security and connection to networks of family, friends and community – ease children's transition to post-separation life. The transition is also easier if children are appropriately informed of the impending separation, if parents are able to constructively deal with their conflicts and if at least one parent is able to exercise competent, authoritative parenting.

In short, the research generally shows that it is what families *do*, rather than

what families *are*, that primarily determines children's wellbeing.

New research by the UK's Centre for Research on Family, Kinship and Childhood is also helping us to understand at a deeper level what it is that families do that makes so much difference. According to this research, rather than abandoning morality, people in separated families confront daily moral decisions that those in more conventional arrangements often do not have to face.

We need to purge public debate of the moral panic surrounding family breakdown.

Rather than heralding the end of morality, family change finely tunes our moral sensibilities in ways that the old rule-following could never do. In fact, the key to successful post-separation family life seems to be the ability of parents to move beyond dutifully following a set of conventional moral rules and to become active 'moral agents'.

This means they can critically reflect on (and change) their own behaviour and attitudes and can employ an ethic of care in relation to all parties. They also consider children as individuals instead of possessions to be distributed according to some rigid notion of justice.

Re-thinking family

This is a sea-change in the way we think about family change and it shows that we need to purge public debate of the moral panic surrounding 'family breakdown'. Instead, we need to accept that, for the most part, separating parents do not act out of an attitude of 'if-it-feels-good-do-it', nor do they disregard the consequences for their children.

Adults often describe marriage breakdown as the most traumatic of their lives and they deeply desire that their children be protected from harm, although it is sometimes hard to agree

on how to achieve this. But as one relationship counsellor recently said: "In my twelve years of counselling separating couples, I have only known of one person that I could honestly say was not trying hard enough."

Exhorting parents to be more committed to duty and less selfish in an effort to 're-stabilise' family life may satisfy the righteous indignation of some, but for those experiencing family upheavals, the call is insulting and produces counterproductive levels of guilt. But perhaps more importantly, it is not likely to succeed in making family life any happier or any more 'stable'.

If we want to encourage greater parental responsibility, we need to reconsider what this means. Parental responsibility means more than 'staying together for the sake of the children', or providing financial support or ensuring greater equality

of access parents to their children. Rather, it requires adults to work at becoming psychologically mature parents. This is as true for intact families as it is for separated families.

We need to build new moral foundations for families of the future.

Families are changing, but they are doing so for reasons far more complex than the alleged decline in moral values and rise of selfish individualism. Times have changed and we are still adjusting. We are acutely aware of what might be going wrong, but our myopic focus on the negative is of limited use for the future.

Instead, we need to know far more about what we are doing right, and of the lessons we are learning along the way so that we can support and build new moral foundations for families of the future. ■

More ads, less knowledge

In 2001, more than \$7.2 billion was spent on advertising in Australia. While this was actually a small reduction on the amount spent during the year of the 2000 Olympics, it still represents an enormous amount of resources in comparison to other activities designed to create and distribute information.

For example, in 2001 \$9.4 billion was spent on higher education in Australia. So it would seem that the advertising industry is almost as big as high education. If contributions to GDP are regarded as the measure of national well-being, then advertising contributes nearly as much as higher education.

Compared to the \$7.2 billion spent on advertising, Australia's investment in higher education seems quite modest. Total revenue for the University of Sydney is \$674 million. We could have ten more universities the size of Sydney's for the cost of advertising in Australia. Would we be better off with ten additional Sydney Universities and no advertising?

The Australia Institute has considered the contributing of advertising to national well-being in the construction of the Genuine Progress Indicator. We will continue to examine this issue, especially as it relates to overconsumption.

A Way Through the Maternity Leave Maze

The debate over paid maternity leave has been bogged down over who should pay – employers or the tax-payer through the government. Bruce Chapman of the Centre for Economic Policy Research at the ANU cuts through the debate with an innovative solution – income contingent loans.

If properly financed, paid maternity leave (PML) has the potential to improve economic efficiency and benefit both employers and parents and children. Broader social benefits add to the desirability of PML.

From an economic perspective, there are important synergies and connections between firms and the workers they employ. Firms and workers invest in each other. Employees acquire skills of value to specific workplaces, and the investment costs and benefits in this process are shared between the parties.

Costs are incurred by both the firm and the worker when an employee leaves a permanent job. The employer has to train a new worker, and the separated worker is likely to take a job in a new firm with commensurately lower wages because some new skills have to be learnt. Thus, policies that allow and encourage workers to enjoy the benefits of time out of paid work for child rearing need to be designed in ways that maximise the chances of those taking leave returning to the original firm.

For society, there are also costs associated with poor parental leave arrangements, including losses in output, lower productivity performance and forgone tax revenue if workers do not return to the place of original employment.

An income contingent loan scheme seems to have precisely the same potential as HECS.

The three agents – firms, workers and government – can all be made better off with a correct approach to parental leave. This has the obvious implication that a correct funding model for PML is likely to involve

contributions from each of the three agents.

An income-related repayment model.

There is an alternative way of approaching PML, and many other forms of government intervention. This is through the notion of repayable loans, with obligations being determined by a person's future income. This is the financing approach used in Australia's Higher Education Contribution Scheme. HECS involves former students repaying some of the direct taxpayer costs of higher education, but only if and when graduates' personal incomes exceed a minimum threshold (which is currently around \$24,000 per annum).

An income contingent loan scheme for PML – or, indeed, any form of paid carer's leave – seems to have precisely the same potential as HECS. After all, such a scheme addresses the fact that commercial loans – such as through an extension of a mortgage – would be unacceptable to many parents to cover unpaid work leave, given the high risks associated with the repayment of debt on the basis of unknown future income. An income contingent loan solves this problem, since repayments are not required in periods of low future incomes.

It must be stressed that the use of a HECS-type mechanism for PML does not mean that the employee would be paying for all the direct costs of the income transfer. Such a scheme can be designed in ways that allow considerable public subsidies.

As well, the scheme should be designed in a way that repayment obligations are undertaken by both parents (if possible), with the parent with the higher income repaying

whatever debt is decided by the government after the period of leave finishes.

How would it work?

There are many different possible variations. The simplest model might work as follows. A mother, Irene, applies for the loan, which might have a maximum level of, say, \$1,000 per month (tax free, since it is a loan), for a maximum of, say, nine months. If the government wants to subsidise the loan, it might require eventual repayment of only, say, \$6,000. Irene and her partner, if there is one, contract to repay the loan according to particular rules concerning future income after her period of leave finishes.

A variation to the basic model would involve employer contributions.

The Australian Tax Office records the debt against the tax file numbers of one or both parents, and deducts payments from the higher earning parent. Repayments could start wherever the government wants; for example, the first income threshold could be \$35,000 per year, with the level of debt reduction being say 3 per cent per annum. For a debt of say, \$6,000 this would mean repayments of around \$27 a week, with the obligation being fully repaid after about four years.

A variation to the basic model would involve employer contributions. It might work as follows. Irene is interested in taking more than nine months off on \$1,000 per month, and the government offers the following option. She can take an additional three months at \$1,000 per month if

☞ *continued on page 12*

Rescuing the Truth from the Kids Overboard Affair

The Senate Committee inquiry into a certain maritime incident, commonly known as the children overboard affair, is about to hand down its report. Richard Mills comments on what the affair has revealed about the changing relationship between the Government and the Australian Public Service.

The Senate Committee report will raise a number of issues of principle much more related to good government than to the question of whether asylum seekers really threw their children overboard. It should allow Australians to judge whether Government Ministers last year deliberately created a false impression in order to gain a political advantage.

The children overboard affair also raises important questions about the processes within the Government's administration. Within the Departments of Defence and Prime Minister and Cabinet (PM&C) there was confusion and ambiguity both in communication and in the application of responsibility.

Reith said it was an "absolute fact" that the video showed children were thrown overboard.

On 7 October 2001, the story that a child had been thrown over the side of an asylum seekers' boat spread outwards and upwards very quickly to Ministers and top officials in Defence, PM&C, Immigration and Foreign Affairs and Trade. The story was clearly of considerable political significance, and very vigorous media coverage followed Minister Ruddock's announcement and follow-up comments by the Prime Minister and Ministers Reith and Downer.

A misunderstanding

On 10 and 11 October 2001, the supposed source of the story, Commander Banks, the captain of HMAS Adelaide, told his superiors orally and in writing that there was a misunderstanding, that he had never said a child was thrown overboard,

and that there was no evidence of that happening. On 10 October Strategic Command wrote to PM&C and to Reith's office saying "there is no indication that children were thrown overboard. It is possible that this did occur."

On the same day, Defence Minister Reith told the media that a Navy video showed a child being pushed into the water. By 11 October, Navy and Defence knew that it did not. In mid-October, Defence told Reith's office the video was inconclusive, yet on 19 October, Reith said it was an "absolute fact" that the video showed children were thrown overboard.

Minister Reith also released photos, which he claimed showed children thrown overboard. They were actually of people being rescued after the boat sank on 8 October, not of any incident on 7 October. On 11 October, Defence told their Minister and his office that the photos were misrepresented. Nothing more was done to correct the public perception, and Reith's office refused to release the video until just before the election.

Leaks to the Opposition in February this year proved the photos were misrepresented, and Ministers claimed they had never been told the initial advice about children overboard on 7 October was wrong. Many observers believed that since so many people knew the truth at the time, either Ministers must also have known, or politically biased officials (military and civilian) had deliberately avoided giving them news they did not want to hear.

Why did the Chief of the Defence Force (CDF) not tell his Minister that children were not thrown overboard?

Why did PM&C not tell the Prime Minister? Why was the photo story not corrected? What was the role of Ministerial advisers? What was wrong with the communication systems?

Photographic evidence

CDF has said that he was not persuaded the original message about children overboard was unfounded until he spoke to Banks personally on 24 February 2002, even though his most senior adviser in the chain of command had told him on 10 October there was no evidence to support the allegation.

CDF had then told his staff to collect witness statements but did nothing more, on the ground that it was up to them to come back to him and persuade him his original understanding was wrong – and they did not do so. Although he acted immediately to tell Reith the public presentation of the photos was wrong, he waited until 17 October even to go as far as saying that there were doubts about the children overboard story itself.

"If my head of department had let me go on the air and make statements that he or she knew to be false, I would have had their bloody job." Jeff Kennett

Jane Halton of PM&C claims that at no time was she told that children had not been thrown overboard, despite seeing the Strategic Command chronology of 10 October which said that "there is no indication that children were thrown overboard. It is possible that this did occur." She has argued that the chronology did not say that children were not thrown

overboard, then that a junior officer took the message, then that it was overtaken by the release of the photos and the existence of the video, and then that Defence never told PM&C the photos were a misrepresentation.

She did not know that the Defence Liaison Officer in PM&C's International Division had told his superiors on 11 October that the photos did not show children being thrown overboard. The Defence Branch head remembers only being told of a rumour about an error in the timing of the photos, and anyway considered it was Halton's area of responsibility.

Minister Reith and his advisers were told almost immediately that the photos did not show children thrown overboard. The absence of a public correction was serious enough for the Secretary of Defence later to offer his resignation over it. I assume this was not only because he knew it was a fundamental responsibility to make it clear that the Minister had made a public statement that was factually incorrect.

Public servants have been trying to avoid embarrassing governments since Parliamentary committees started.

It was also because he felt that it was his personal responsibility to inform the Minister, given the seriousness of the matter, and he had left it to his staff. Jeff Kennett has said, "if my head of department had let me go on the air and make statements that he or she knew to be false, I would have had their bloody job."

Labor's future

We do not know why the story was not corrected in public, in part because the Government has prevented the Senate Committee from speaking to Ministerial staff. There has only been desultory and uninformative discussion of why former Ministers and Ministerial staff

should not be questioned by Senate Committees. The ALP has not really pushed the point, presumably looking ahead to the time when it is no longer in Opposition but may well have some things it does not want to discuss in public.

There is no real and virtuous reason to differentiate Ministerial staff, whether they be seconded public servants or party political advisers, from bureaucrats. They are all paid from the public purse, are accountable to Ministers for their actions or inactions, and often have considerable influence on both policy and administration. The theoretical reason behind subjecting public servants to examination by Parliamentary committees is to understand the complexity and comprehensiveness of the reasoning that goes into Government decisions.

"Well, we'd better not see the video then." Peter Reith

What usually drives secrecy is the fear of discovery of irrelevant, unsound or immoral reasons. There is no reason why the public should not be told how decisions were reached, and how the decision-maker weighed up the importance, costs and benefits of the conflicting views put forward on that particular question. This is as true for decision-makers in Ministerial offices as it is for those in departments.

Not that delivering Ministerial staff up to the Senate Committee will necessarily provide the whole truth. Public servants have been trying to avoid embarrassing governments since Parliamentary committees started, and there is sometimes a fine line between being loyal and unduly responsive to Ministers.

Halton claimed to cleave to the frank and fearless approach, saying "spin...was never a province and is not properly a province of bureaucrats. And, anyway, we're no good at it." I think *Yes Minister* is, as usual, a better guide to reality. When Minister Hacker is sure that Sir Humphrey answered all his questions

when he was in opposition and seeking the truth in a Parliamentary Committee, Humphrey says, "I'm glad you thought so, Minister."

Communications breakdown

The worry is that skill in this area has led officials to avoid telling Ministers what they know they will not want to hear. When Brigadier Silverstone mentioned to Minister Reith on 31 October that the video did not show children being thrown into the water, he expected Reith to know and acknowledge that. However, Reith merely said to his staffer, "well, we'd better not see the video then." Asked about a public servant's failure to follow up warnings about the absence of evidence, the Prime Minister said, "I'm not going to make an adverse judgement about that."

There are extensive communication systems in Defence and PM&C designed to keep areas informed of matters that affect their interests, even if peripheral. There are well-established communication systems between departments designed for the same purpose. However, there are real responsibilities that cannot be compartmentalised or avoided. If the Prime Minister says, "if these reports are correct" and a senior officer in another department knows they are not, he or she should immediately tell PM&C.

Public servants and Ministerial advisers are duty bound to provide accurate and timely advice to ensure that the public is not misled. Ministerial deception is of course another matter. ■

Richard Mills is a Sydney writer and mediator who formerly held senior positions in the Departments of Defence and Prime Minister and Cabinet.

Whither the Democrats?

Clive Hamilton

Throughout much of the industrialised world, the ideological convergence of the dominant political parties, and the consequent ascendancy of the politics of spin, has seen widespread disillusionment with the old parties and the political system they control.

While a majority of voters have stuck reluctantly with the traditional parties, a large number, seeking a fresh alternative, have turned to parties and groupings that appear to diverge from the old model of politics. These new parties are occupied not with doing deals and engaging in tax-cutting auctions but represent a vision, something that is based on principle rather than personal advancement.

These trends have changed the face of politics in Australia, as traditional party loyalties have evaporated, the primary votes for the major parties have plummeted, and small parties and independents have found themselves sitting on the leather benches of legislatures around the country.

A party that was formed to support the best and reject the worst of the two old parties owes its existence to the old parties.

As the ‘third force in Australian politics, the Democrats were founded too early to be a party of the new politics. The crippling ructions within the party over recent months is a stark illustration of the fact that the original party of protest has not adapted itself to the new political dispensation, but remains locked into the old politics.

The party that is characterized by itself, and the public, as the one that keeps the bastards honest has defined itself on the terms of the old parties and the old politics. A party that was formed to support the best and reject the worst of the two old parties owes its existence to the old parties. The Australian Democrats is

the bastard child of the two main parties.

When the party was formed in 1977, there was enough space between the main parties for another to occupy the centre ground. But when the policies of the old parties converged – as they did when the Hawke-Keating Governments of the 1980s adopted the neo-liberal agenda – there was no space left in the middle to occupy. There is no mileage in setting out to keep the bastards honest if voters don’t feel any better off if they are kept honest.

The Greens will displace the Democrats unless the latter can reinvent themselves as a party of the new politics.

The role played by Democrats in the Senate in recent years, and especially since the Coalition was elected in 1996, reflects way in which the Democrats have become locked into the old politics. All of the contradictions inherent in the transition from the old to the new politics were revealed in the deal Meg Lees and Andrew Murray (with advice from John Cherry and support from Lyn Allison) negotiated with the Howard Government over the GST.

They played the classic role of the middle party of the old politics and received lavish praise in the Murdoch press for being ‘mature’ and ‘responsible’. But the stinging rebuff from the electorate and subsequent internal warfare revealed, at the deepest level, the failure of the Lees-Murray forces to understand that, in the new dispensation, a small party that plays the old politics will surely die.

This is at the heart of the troubles faced by the Democrats in trying to build and retain a support base, and why the Greens – unencumbered by any commitment to the old politics –

will displace the Democrats unless the latter can reinvent themselves as a party of the new politics. The Greens grew out of a new community movement rather than the old struggle between capital and labour, and therefore was born from an approach to activism that repudiated the old politics.

Some senior Democrats, including Natasha Stott Despoja, understand the bind their party is in, crippled by its history and struggling to adapt to the new politics. As long as the party is seen by the electorate to be the party that keeps the bastards honest it will be associated in the public mind with the old parties and the old politics.

The Lees-Murray forces have shown themselves to be, unapologetically, creatures of the old politics with Murray – in comments reminiscent of Edmund Burke’s famous characterisation of the duties of the elected representative – explicitly rejecting the right of the party membership to intervene in the decisions of their parliamentary representatives.

“Your representative owes you, not his industry only, but his judgement; and he betrays, instead of serving you, if he sacrifices it to your opinion.”

Edmund Burke, Speech to his constituents, 1774

The Lees-Murray forces believe that the leaders should be left to lead, an attitude that has more in common with the approach of Jeff Kennett than the politics of new movements. The leadership of the Labor and Liberal parties can more easily get away with such a patrician view, as long as they don’t declare their intentions, but the leaders of the Democrats or the Greens, or indeed, One Nation, cannot. Their

members joined up because they want to be heard.

Those who side with Stott Despoja, including the bulk of the membership, understand that the party must make itself more like the Greens, a new party. The 'Change Politics' slogan of the last election captured this intent; it did not draw attention to differences in policy proposals, but called for a wholesale change in the way politics are done in Australia.

Yet the voters were right to be confused, for the slogan called for a new politics at a time when the recent history of the party, and especially the GST deal, sent a much more powerful message that the Democrats remained wedded to the old politics.

The party's democratic organisational structure is the Democrats' greatest asset and its only hope. The active participation of members in policy and leadership choice is the organisational essence of the new politics. What it must now do is reshape what it stands for and present it in a way that cannot be confused with the positions of the old parties. This necessarily means that it must become a party less willing to compromise.

In the post-modern world, the Democrats' liberalism could now be an advantage.

There is no space left between the two old parties for the Democrats to stake out and the strategy of the Lees-Murray forces to act merely as a broker between the raging bulls put the party on a hiding to nothing. While historically sharing with the Labor Party a socially progressive policy stance on issues such as healthcare and education, and outperforming it on environment and human rights, the Democrats, reflecting their roots as a breakaway from the Liberal Party, eschewed the collectivist approach of Labor.

In the post-modern world the Democrats' liberalism could now be an advantage, as long as it is recognised that the neo-liberalism of the right is not the answer. The new

politics melds both the widespread need to create the self, to 'write one's own biography', but not in a selfish way. The social concern of young people in particular (the bearers of the new politics) is no less than it once was, but it is manifested quite differently. This is something the Greens intuitively understand.

Given the ties that bind the Democrats to its history, and the bloodletting that has marked attempts to cut them, the question arises of why the 'new politicians' of the Democrats do not shift to the Greens? Loyalty to a party membership seems to be a powerful influence on Stott Despoja. A belief that the party can be brought into the era of new politics by way of its democratic structure is another reason, especially as it is clear that a substantial majority want to go that way.

The perception of the Greens as a single-issue party is a huge burden that cannot be shaken off despite considerable attention to broadening their policies. By contrast, the Democrats have a historical legacy of policy work across all of the major issues. Combined with a committed party membership, the Democrats may well succeed in casting off their history and emerging as a party of the new politics. ■

I am grateful to Hugh Saddler for stimulating these ideas.

The Australia Institute

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A \$1 billion scam?

In a recent report prepared for the Climate Action Network Australia, Paul Pollard undertook a review for the Institute of the Commonwealth Government's greenhouse programs. An overview of the findings are presented below.

The Government has claimed it has spent or will spend almost \$1 billion on greenhouse gas abatement. However, Budget figures show that actual greenhouse spending - undertaken and committed by departments - is hundreds of millions of dollars less than this figure.

Over the current six-year Budget period, spending is project to be around \$100-120 million per year. Over the current six-year period, from 2000-01 (when the major spending programs from the GST Tax Package began) to 2005-06 (the end of the current forward estimates), past and committed spending on greenhouse programs by the Australian Greenhouse Office and the industry department, covering virtually all government greenhouse programs, totals \$669 million.

In sum, Government claims about the level of greenhouse spending are greatly exaggerated. The only way a total of \$1 billion spending could be reached would be if spending programs at current levels extended over about ten years. This makes a nonsense of normal Budget evaluation of figures, which is based on consistent comparison on an annual basis.

Moreover, much of what is genuine greenhouse spending is likely to prove ineffective in helping Australia reach either its Kyoto target or longer-term targets, and it should be redirected to make a more efficient and effective contribution to the greenhouse task. ■

Greenhouse Emissions in the Long Term

Two years ago the UK Royal Commission on Environmental Pollution brought down a report examining the feasibility of achieving a 60 per cent reduction in Britain's greenhouse gas emissions by 2050. The Australia Institute will soon publish a detailed analysis of how Australia could achieve deep reductions in emissions over the same timeframe. Hal Turton discusses the background to this study and outlines some other recent work by the Institute on climate change.

In all of the debate over the greenhouse gas emission cuts mandated by the Kyoto Protocol, it is easy to forget that the Protocol represents only a small first step in the path to a low-carbon future.

The Intergovernmental Panel on Climate Change (IPCC) has warned that the nations of the world will need to go much further than the initial Kyoto targets in order to avoid dangerous climate change.

Even stabilising carbon dioxide concentrations at double pre-industrial levels will require deep cuts in annual global emissions, eventually by 70 per cent or more.

After gaining momentum at the Johannesburg Summit, it now seems very likely that the Kyoto Protocol will enter into force in the coming months,

but without the participation of the USA and Australia. But whether the Protocol takes effect or not, the problem of climate change is not going to disappear.

The Australian Government recognises the need for substantial long-term emission reductions, with Foreign Minister Alexander Downer noting that emissions will need to be cut by between one half and two-thirds.

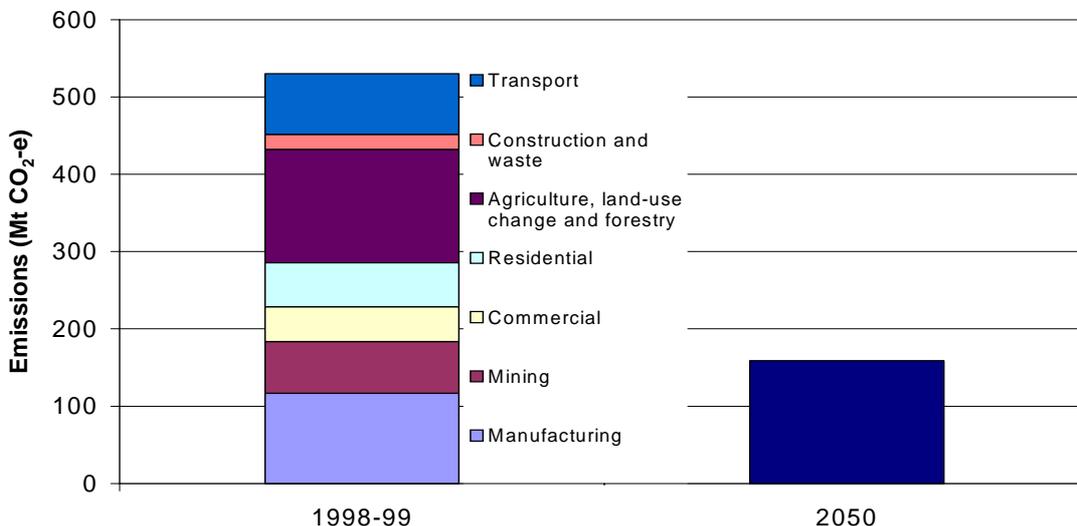
The figure below illustrates the extent of the task of reducing Australia's emissions by 70 per cent – total emissions in 2050 will need to be less than emissions from agriculture and land-clearing today.

How can this be achieved? The IPCC has developed scenarios that suggest answers this question – with continued strong economic growth

the world will need “a high level of environmental and social consciousness combined with a globally coherent approach to a more sustainable development” and “radical technological change in energy systems”.

The Institute's forthcoming report investigates how this would play out in Australia, and examines whether it is even technically feasible within the context of continuing economic and population growth. Importantly, bringing about a radical change in energy systems will require early planning and action, particularly since, like the climate system, energy systems have great inertia – transport systems, buildings, urban lay-outs and electric power plants take decades to transform. This makes the forthcoming paper highly relevant to current policy-making. ■

Reducing Australia's greenhouse gas emissions by 70 per cent by 2050



And the winner is ... Australia

Around the world, when anyone declares that Australia has the highest greenhouse gas emissions per capita of all industrial countries they are quoting Australia Institute figures.

The Institute recently publishing its latest estimates of comprehensive per capita emissions for industrialised countries, building on similar work for previous years.

The Institute's most recent analysis of data from United Nations Framework Convention on Climate Change (UNFCCC) secretariat covers emissions in 1999 and includes all sources (and sequestration in sinks) of the six major greenhouse gases.

Overall, industrialised (Annex B) countries were responsible for total net emissions of almost 14.7 billion tonnes of greenhouse gas, measured in carbon dioxide equivalent (CO₂-e) in 1999, which was fractionally less than the emissions reported for the same group of countries in 1998.

Per capita emissions for selected countries are shown in the figure. The average per capita emissions of Annex

B countries in 1999 were 12.8 tonnes of CO₂-e. This average is heavily influenced by the per capita emissions of the European Union (10.2 tonnes of CO₂-e per person) and the USA (20.7 tonnes of CO₂-e), which account for the bulk of population in, and emissions from, industrialised countries.

Australia has the highest level of per capita greenhouse gas emissions in the industrialised world, with emissions of 27.9 tonnes of CO₂-e per person in 1999. This is over twice the industrialised country average of 12.8 tonnes CO₂-e, 25 per cent higher than the next highest per capita emitter, Canada, and 35 per cent higher than the world's largest polluter, the USA.

In comparison, per capita emissions in major industrialised European countries, such as France (8.2 tonnes), Germany (11.6), Italy (9.1) and the UK (10.8) are substantially lower.

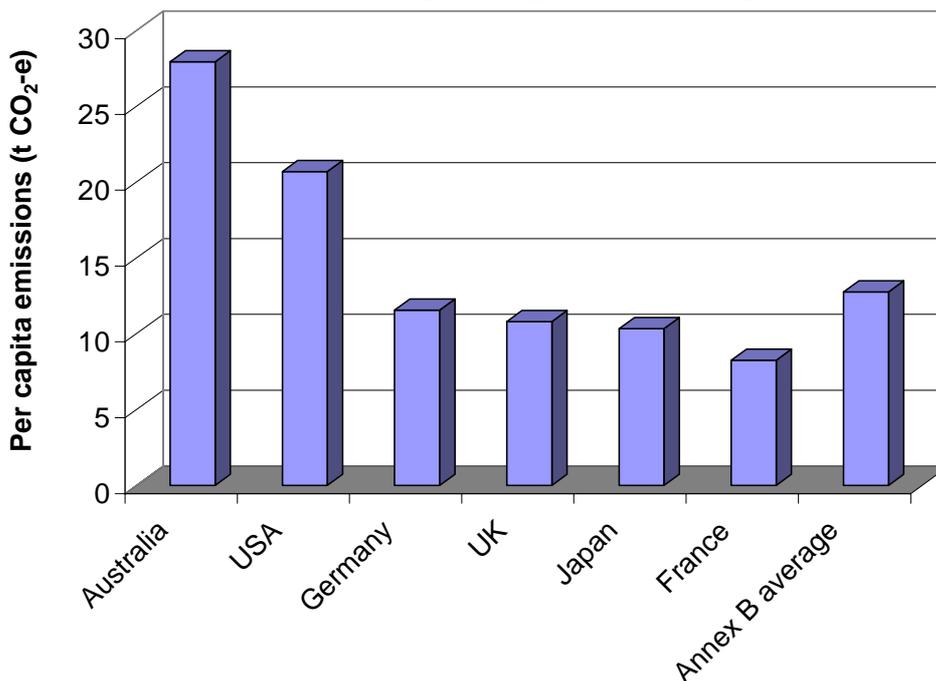
Australia's per capita emissions are high for a number of reasons. Firstly, unlike almost all other developed countries, Australia continues to undertake large-scale land-clearing.

So for most countries land-use change and forestry (LUCF) activities act as a net sink, except in Australia where they are a substantial source emissions.

Australia also has high per capita emissions from energy consumption. For instance, of the countries presented in the figure, Germany, Japan and the United Kingdom all generate a similar amount of emissions per person from fuel combustion (9-10 tonnes per person), whilst Australia and the USA produce 70-100 per cent more per capita (17-20 tonnes).

It is also interesting to note that although the USA generates the most emissions from fuel combustion in per capita terms, Australia's emissions from agriculture and LUCF are of a sufficient size to push Australia well ahead of the USA. New Zealand is also an interesting case, where around half of all emissions arise from agriculture (mainly methane from cattle and sheep). ■

Greenhouse gas emissions per capita (tonnes per annum per person)



A Statement By Professional Economists on Climate Change

1. A report by over 2000 distinguished international scientists under the auspices of the Intergovernmental Panel on Climate Change has determined that there is 'new and stronger evidence that most of the warming observed over the last 50 years is attributable to human activities'.
2. The IPCC has warned that 'regional changes in climate, particularly increases in temperature, have already affected a diverse set of physical and biological systems in many parts of the world'. In Australia, the CSIRO has warned that climate change has the potential to seriously disrupt and damage agricultural output, water flows and natural systems.
3. As economists we believe that global climate change carries with it serious environmental, economic and social risks and that preventive steps are justified.
4. Policy options are available that would slow climate change without harming employment or living standards in Australia, and these may in fact improve productivity in the long term.
5. Economic instruments – such as carbon taxes or emissions trading – will be an important part of a comprehensive climate change policy. Revenue raised from carbon taxes or the sale of permits can be used to reduce taxes elsewhere in the economy.
6. Since OECD countries are responsible for over 80% of increased greenhouse gases in the atmosphere, and are in a stronger economic position, they should take the lead in cutting emissions. It is fair that developing countries should begin reducing their emissions only when OECD countries have led the way.
7. No serious alternative to the Kyoto Protocol has been proposed. In particular, the Bush Administration's 'Climate Action Plan' amounts to 'business as usual'. Suggestions that Australia should co-operate with the US in the development of an alternative to the Kyoto Protocol lack credibility in the absence of any commitment by the US to reduce emissions.
8. It is in Australia's economic interests to join international efforts and we call on the Australian Government to ratify the Kyoto Protocol without delay.

This statement has been signed by 271 academic economists in Australia, including 44 professors. For the full list of signatories go to 'What's New' on the Institute's website – www.tai.org.au.



Cartoon reprinted with permission of Andrew Weldon.

The Silver Lining Project

We are grateful for the responses from Institute members to our call for ideas on the Silver Lining project. Following the Institute's Discussion Paper *Population Ageing: Crisis or Transition?* – which argued that the various claims about unsustainable growth in the costs of healthcare and pensions are exaggerated – the new project will investigate and document the benefits of living in a society with an older age structure.

Judith Healy of the National Centre for Epidemiology and Population Health (ANU) will be developing the project for the Institute and will draw on the material and commentaries that we have received so far. Additional contributions are very welcome.

Disability and the Embryonic Stem Cell Debate

In recent weeks, the corridors and offices of the Federal Parliament have been the site of some emotion-charged speeches about the potential benefits of embryonic stem cell research on eradicating various forms of disability and disease. Institute member Erik Leipoldt comments on the political uses of disability.

Simon Crean is one of many MP's who supports embryonic stem cell research. This is for reason of giving 'patients and their families hope' for 'cure of diseases like diabetes, motor neurone disease, Parkinson's disease, Alzheimer's disease and spinal cord injuries'.

He said that, such people 'know isolation' and their 'lives can never be normal'. And, of course 'creating wealth and jobs in the new biotechnology industries' is of only secondary importance to helping these people, he said.

I found it offensive to see disability being used as a lobbying tool for the biotech industry.

At the highest political level and in senior scientific circles, we have been told first-hand stories of the tragic situation faced by people with disabilities. Leading politicians blinked away tears in Parliament. We've seen TV images of other politicians visiting people with spinal cord injuries.

And there were scientists making amazing, enticing promises for cure just so long as we could legalise embryonic stem cell research to help these unfortunates.

But, in all my years of involvement in advocacy, in disability services and on government disability advisory groups I have never encountered this emotional concern on the part of most of these people about the day-to-day needs of those of us with disabilities.

At times, I must say, quite the contrary. Meanwhile, many disability

problems remain unresolved. Even in our wealthy society, disability advocacy is still extremely necessary. People with disabilities still face isolation from mainstream education, employment and community life.

What's going on with all the tears and pleading? Clearly, politicians are not intending to suddenly make a big effort on outstanding issues facing people living with disabilities now. No, some ride the public fear of human fragility and disability as a means to their far more lowly profiled agenda – that of potential profits, profits from the ethically controversial and potential \$70 billion embryonic stem cell research industry. After all, the public is less likely to merely support private profits. But it will support a cure for the secret horror of their dreams: disability and mental and physical decline.

It took National Party Senator Ron Boswell's speech to expose the substantial financial interests of at least three State governments in attracting embryonic stem cell research for bio-technology centres in their states. The amount of public money being poured into some of this research is huge.

The embryonic stem cell lobby is shamelessly sacrificing these hard-won gains for profit, reminiscent of tear-jerk fundraising by charities of old.

When we now weigh the scales with these vast financial interests on one side and the real interests of Australians with disability on the other we hear a heavy thump. This is

not the sound of altruism. And it is costing people with disabilities.

We had arrived, I thought, at some understanding that disability is not just created through impairment. Our collective social values and attitudes create much of the disability experience. And changing them does not involve ethically contentious action.

Now, the embryonic stem cell lobby is shamelessly sacrificing these hard-won gains for profit, reminiscent of tear-jerk fundraising by charities of old. We're back to 'disability as tragedy', a condition to be pitied and cured. This attitude stymies the acceptance of people with disability as valued community members and hinders a healthier accommodation of disability in our own minds.

As a person who has lived with quadriplegia for almost 25 years, I have a mandate to protest. In this debate, the public, people with disabilities included of course, should beware of politicians and scientists bearing gifts.

The embryonic stem cell lobby's ethically questionable treatment of this debate alone puts its ends in a dubious light. It makes for a shaky platform for the respectful treatment of either embryos or people with disabilities. Disability being part of the human condition, all of us should be concerned about that. ■

Erik Leipoldt is a PhD student at Edith Cowan University. He is the former Executive Officer of People With Disabilities, WA and former chair of the WA Disabilities Advisory Committee.

INSTITUTE NOTES

Board Members

Barbara Spalding has resigned from the Board of the Institute. Barbara has been a long-standing member of the Board and served as chair for the last two years. The Board expresses its gratitude for all of her work. There have been several changes to the Board of the Institute over the last year or so. The current Directors are:

Sharan Burrow, President, ACTU

Tony McMichael, Director, NCEPH, ANU

Mary Crooks, Executive Director, Victorian Women's Trust

Barbara Pocock, Director, Centre for Labour Research, University of Adelaide

Meredith Edwards, Deputy Vice-Chancellor, University of Canberra

Michael Raper, Director, Welfare Rights Centre

Clive Hamilton, Executive Director, The Australia Institute

Hugh Saddler, Director, Energy Strategies Pty Ltd

Molly Harriss Olson, Director, Ecofutures Pty Ltd

Tim Todhunter, Director, Australian Retirement Fund

Mark Wootton, Director, Poola Foundation

New Publications

Discussion Paper No. 47 *New Families for Changing Times* by Pamela Kinnear, July 2002

Farewell Áine

Our office manager Áine Dowling is leaving to take up a position at the University of Canberra. Áine has done a superb job as the Institute's key administrator and will be sorely missed. We wish Áine well and welcome Leigh Thomas who will take her place.

Maternity Leave...from page 3

her employer is willing to finance this part of the loan. The firm pays this to the employee at the appropriate time.

Irene (or her partner) can then repay whatever proportion of the government loan (\$9,000) the government decides (in the first example, \$6,000). With respect to the employer-provided part of the loan, Irene's repayment obligations would be determined by her work decision at the end of her leave. Some part of the employer contribution (even all of it) could be forgiven if she returns to the original firm for a specified period after her leave entitlement. In this circumstance the firm has outlaid an investment and received a return in the form of the Irene's continuing employment.

However, the firm stands to lose its investment if Irene chooses not to return to that workplace, and in this

case she might then be required to repay all of the firm's outlay, again through the tax system. In this event, the government would reimburse the firm for its lost outlay. Thus, if Irene does not return, she repays more of the loan and the firm will end up paying less or even nothing.

The work choice contingency described above will encourage a worker to resume work at the original firm. If she does, both parties benefit. If she doesn't, the firm will be recompensed, and the former worker (or her partner) will have to repay this part of the loan, but only if and when they are able.

The Australian government has a proven capacity to collect income contingent loans. The circumstances for PML – indeed, any form of carer leave – are very similar to the sorts of problems facing students in their funding of university attendance. That is, without government intervention

parents wishing to take leave for child-rearing purposes face unpalatable alternatives – a period of reduced incomes, running down savings, or extended borrowing from a bank. Government-sponsored income related loans could help resolve the issue. ■

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