

Charity and advocacy

Rev Tim Costello

Brazilian Bishop Dom Helder Camara said 'When I feed the poor they call me a saint. When I ask why the poor are poor they call me a communist'. I understand this dilemma. Dom Helder's insight speaks pertinently to the work I oversee with 'Urban Seed' in the city centre of Melbourne. It also goes to the very heart of the current controversy in the charity versus advocacy debate.

In relation to the Federal Treasurer's draft charity legislation, which has caused this controversy, it means that when we at Urban Seed feed the poor we do charity and when we ask why they are poor we do advocacy. In so doing, we risk losing our tax-deductible charitable status if the advocacy dimension is more than merely "incidental or ancillary" to the hands-on relief.

"When I feed the poor they call me a saint. When I ask why the poor are poor they call me a communist".

Bishop Dom Helder Camara

I believe there are some good things about the proposed charity legislation. It explicitly extends the definition to not-for-profit child-care, some self help bodies and closed or contemplative religious orders. It also codifies in legislation a definition that is over 400 years old. This effectively reduces the Government's discretion to give tax-deductible gift status.

But there are some downsides too. Despite the recommendations of the Government's own Report, the draft legislation does not change the existing restrictions on charities' involvement in influencing government policy and law reform. If a charity engages in such advocacy then the tax department can decide that this is more than incidental to its relief operations and disqualify its tax deductible status. Effectively this could

put it out of business. It is a pity that this opportunity to clarify a very grey legal area has been missed. In my opinion, encouraging charities to engage in robust debates about the policy solutions to the problems that their clients face strengthens civil society, or, to use a term that has been prominent in recent public discussion, builds social capital.

Phillip Adams wrote in *The Australian* (5th August) that Peter Costello devised these disqualifiers in order to silence someone like me. This is somewhat personalizing the debate. However, I find myself implicated because Urban Seed seeks to 'engage faith, culture and the community'. The aim of our outreach work is not just to fill the stomachs of the 80-100 street people who gather daily. It is also to address some of the underlying social factors that cause homelessness and addiction. We do this in a number of ways. We educate business leaders and school groups by taking them on 'city-walks' of Melbourne's back lanes that raise awareness of the social issues we are involved in solving.

We also do it through public engagement when we speak to all sorts of groups, highlighting the cultural attitudes that are reinforcing marginalisation of people. We are not shy about advocacy. Locally, we question why Australia has tolerated 21 per cent of all the world's high intensity pokies when they cause such harm to families and communities. We query the level of disconnection that makes people turn to drugs like heroin to forget their problems rather than to friends and families. Why are so many people homeless in a country that is, comparatively speaking, so well off? We also speak out for greater levels of Australian foreign aid, for forgiveness of the debt of the poorest countries and for greater compassion for refugees. Our obsession is to lessen the gap between rich and poor globally and at home. While we do enjoy charitable tax-deductibility, we have decided not to seek core government funding to ensure

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that our advocacy activities are not compromised by financial dependence.

The draft legislation does not change the existing restrictions on charities' involvement in influencing government policy and law reform.

introduced with no consumer warnings about their addictive properties.

This unlawful activity could have made us vulnerable to losing deductibility under the draft legislation. But from Gandhi's non-violence to Archbishop Tutu's resistance to apartheid in South Africa to Martin Luther King's Southern Christian Leadership Conference, civil disobedience has been a legitimate tool of advocacy.

intention was to change the common law but to codify it. He hoped to retain the current position that requires practical hands on service delivery, not advocacy,

[The Treasurer] missed the opportunity for a richer, more realistic definition of charity that sees advocacy as its Siamese twin.

Groups like Greenpeace, which regularly engage in trespass, will also have their charity status threatened by a requirement not to break the law. Where we have felt very strongly about an issue, we too have been prepared to break unjust laws or engage in civil disobedience. For example, we brought attention to Premier Kennett's gambling led recovery by trespassing on Crown Casino property. Police and security outnumbered us when we staged a prayer meeting at Crown for the newly fleeced victims who were just gaming fodder for the pokies

Similarly, there is no question that, when necessary, Urban Seed will continue to seek to change Government policy. To fail to advocate on behalf of those whose poverty and distress you see 'up close and personal' is a failure of integrity. To avert one's eyes and stay with the politically safe service delivery would kill morale in our workers and disengage the very passion that makes them serve so sacrificially.

So was Phillip Adams right in his charges? Yes and no. No, because I do not think the Treasurer's primary

as the distinguishing mark of a charity. Delivery of aid must be the substantive purpose to obtain tax deductibility. But yes, in that he missed the opportunity for a richer, more realistic definition of charity that sees advocacy as its Siamese twin. To relegate advocacy as merely being ancillary is not only impossibly hard to interpret but worse still, turns today's Dom Helder Camaras into subversive communists. ■

Tim Costello is Director of Urban Seed and Minister of the Collins Street Baptist Church in Melbourne.

Making industry assistance accountable

Richard Denniss

The recent controversy surrounding the Prime Minister's involvement in the decision to provide assistance to Manildra for their ethanol production raises the broader issue of Government assistance to industry. Despite the rhetoric about competition and the Government's reluctance to 'pick winners', according to the Productivity

Commission the Commonwealth Government provided nearly \$4 billion in budgetary assistance in 2001-02 (see table).

While a strong case for government intervention often exists, Australia lacks a systematic process for determining which projects or which

industries have the greatest potential to deliver benefits to the broader community as a result of receiving government assistance. The absence of such a process results in an *ad hoc* approach to industry assistance and a lack of transparency and accountability.

Industry assistance should play an important role in job creation, regional development and addressing environmental problems. Such potential can not, however, be realised until the Government is willing to replace its discretionary decision-making power with a systematic and accountable approach to assessing requests for industry assistance. Only when the Government admits the important role that industry policy can play, can it set about designing an effective structure for implementing such an approach. ■

Industry	Total assistance (\$million)
Grain, sheep and beef cattle farming	240.7
Textiles, clothing and footwear	216.2
Petroleum, coal and chemicals	185.3
Motor vehicles and parts	707.2
Property and business services	151.6

Source: Productivity Commission

How much money is enough?

The Institute's analysis of overconsumption in Australia (DP 49) initiated widespread debate about our national values and attitudes to money. The analysis has now been replicated for Britain (DP 57) and both can be compared with an earlier study in the USA. Clive Hamilton reports.

It has sometimes been observed that, no matter how wealthy people are, they believe they need more money to be happy. The sense of deprivation felt by many is closely related to the phenomenon of 'luxury fever'. The desire to emulate the lifestyles of the very rich has led to booming sales of trophy homes, luxury cars, professional quality home equipment and cosmetic surgery. The scaling up of 'needs' generally outpaces the growth of incomes so that many people who are wealthy by any historical or international standard actually feel poor.

Sixty one per cent of Britons believe that they cannot afford to buy everything they really need.

In July, The Australia Institute commissioned a survey by the British Market Research Bureau which reveals that 61 per cent of Britons believe that they cannot afford to buy everything they really need. When we consider that the United Kingdom is one of the world's richest countries, and that Britons today have incomes nearly three

Attitudes to needs, by income group (%)

"You cannot afford to buy everything you really need."

	GDP per person in 2000 US\$ PPP	Total (%)	Bottom group (%)	Top group (%)
United Kingdom (2003)	23,509	61	79	46
Australia (2002)	25,693	62	79	47
USA (1995)	34,142	50	63	33

times higher than in 1950, it is remarkable that such a high proportion feel their incomes are inadequate.

It is even more remarkable that almost half (46 per cent) of the richest group of households in Britain (with incomes over £35,000 a year) say they cannot afford to buy everything they really need (see figure). Even amongst those with incomes in excess of £50,000, 40 per cent believe that they cannot afford everything they really need.

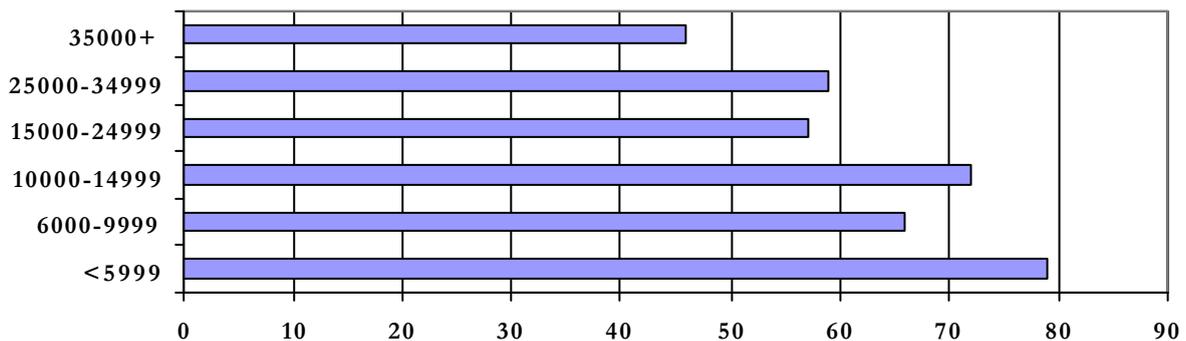
The survey also asked respondents whether they 'spend nearly all of their money on the basic necessities of life'. Across the population, 57 per cent of respondents agreed. Among those in the lowest income group 88 per cent

agreed, while among those in the highest income group 28 per cent agreed. In other words, more than a quarter of the wealthiest households in Britain believe that they spend nearly all of their money on the basic necessities of life, a belief shared by nearly half (46 per cent) of those on incomes of £25,000 to £34,999.

Responses to the same question in Australia and the USA are reported in the table above, along with GDP per person in 2000 measured by purchasing power parity. Note that for each country the top and bottom groups each account for around 15 to 20 per cent of households. Incomes are those before tax.

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Proportions who agree that they cannot afford to buy everything they really need, by income group, £ (%)



Fathers and families

A national debate about families and parenting is gathering momentum and intensity in Australia, with fathers and fathering at its centre. Michael Flood outlines what is at stake.

The Government is considering the introduction of a ‘rebuttable presumption of joint custody’ following family breakdown. This would mean that physical custody of children may be awarded to mothers and fathers on a half-half basis, e.g. with children living one week with the mother and the next with the father, unless there are good reasons to do otherwise. Currently, child custody is determined primarily on the basis of the best interests of the child. A Committee of the House of Representatives is investigating the proposal and will report to the Parliament in December.

commentary it does little to highlight the complexity of the underlying issues. There are both women and men among those for and against the legal presumption of joint custody, and they are divided far more by contrasting views of family, parenting and society than by their sex.

Fathers’ rights groups have achieved significant changes in both the practices and popular perceptions of family law.

situations would expose women, children and men to higher levels of violence, increase litigation and prolong instability for children.

A ‘one-size-fits-all’ law would undermine the ability and authority of families to develop parenting arrangements which reflect parenting capacities, work arrangements, location and housing according to the best interests of the child. The ‘best interests of the child’, a key principle in family law, would be compromised by the proposed legal changes, and indeed by any presumption of a specific type of custody arrangement.

There is very significant interest in the proposal to change family law. Over 1100 submissions were lodged with the Standing Committee on Family and Community Affairs despite a tight six-week deadline. Volatile exchanges over child custody, fatherhood and families are frequent in the national papers, and substantial political lobbying is going on behind the scenes.

The proposed changes to family law ostensibly will enhance shared parenting of children after divorce and separation, a goal with which few could argue. Yet in practice, the changes will do little to encourage shared parenting and may threaten the safety and well-being of family members in some circumstances.

Family law ‘reform’ is being driven particularly by fathers’ rights groups which appear to have been very effective in gaining the ear of politicians. Populated largely by men and women who feel angry and disenfranchised by bitter divorces and custody battles, these groups offer a narrow vision of family and gender relations. Some groups have links to conservative Christian organisations such as the Festival of Light and the Australian Family Association. These groups speak for the views of their members and do not accurately represent the views of the majority of divorced and separated men or women.

The proposed changes to family law will do little to encourage shared parenting and may threaten the safety and well-being of family members.

Family law in Australia already endorses the principle of shared parenting, stressing that children have the right to know and be cared for by both their parents and that parents are jointly responsible for their children. Separating parents can make arrangements for shared residence, and a small number do. Where dads don’t see their children after divorce, this is far less often about a Family Court order and more often about patterns of parenting prior to divorce and decisions by the parents themselves.



The Australia Institute is exploring the competing claims about fathers and fatherhood which shape both the proposed changes to family law and the wider debates about fathers and families. A Discussion Paper, planned for October, will assess the significance and impact of fatherhood and fatherlessness.

Of divorcing couples with children in Australia, about five per cent end up having their cases decided in the Family Court. Those who reach the courtroom often have the most intractable and bitter conflicts, face issues of violence and abuse, and are the least likely to be in a position to share residence and parenting of their children. A legal presumption of joint custody in such

While many men and women find the processes of divorce and separation to be hurtful, only a minority subscribe to the aggressively conservative agendas of such groups. *Continued on page 5*

Fathers and families from page 4

Fathers' rights groups have achieved significant changes in both the practices and popular perceptions of family law. These include the enshrining of children's 'right to contact' with both parents and the widespread, although mistaken, perception that fathers are discriminated against in family law. There have been policy shifts in the distribution of family tax benefits for shared care which advantage non-resident/access parents (usually fathers) at direct cost to the resident parents (usually mothers). Similarly, major changes to the child support system have disadvantaged resident parents and increased the control exerted by the non-resident parent.

The political strength and influence of fathers' rights groups have been boosted by their compatibility with the policy agenda of the Coalition Government. The Federal Coalition Government has:

- ⊕ Adopted tax, child support and other policies which provide incentives for women to stay at home full-time and raise children, while making participation in the paid workforce more difficult for women;

- ⊕ Stood in the way of the push for paid maternity and paternity leave and the inclusion of protections against sex discrimination in workplace awards; and
- ⊕ Removed subsidies for community-based childcare centres and frozen childcare assistance.

Fathers' rights advocates also have been able to take advantage of images of the nurturant father or 'new dad' and the backlash against efforts at social justice.

While the culture of fatherhood has changed radically, the conduct has not.

There has been a substantial shift in both the depiction and discussion of fathering in Australia in recent years. Many people believe that fathers are more involved with their children and with domestic work, images of men with children have blossomed in popular culture, and the belief that fathers' involvement with children is desirable is widely taken as given. Yet while the culture of fatherhood has changed radically, the conduct has not, and traditional

divisions of labour persist in the majority of both parenting and domestic work.

There is no doubt that fathers are important to the wellbeing of children, families and communities, and that supporting fathers' positive involvement in their children's lives is a key element in the maintenance of healthy families and communities.

Promoting fathers' positive involvement with children is therefore a laudable goal. But it will not be achieved by ill-considered changes in family law. Instead, real and desirable change will only be effected through:

- ⊕ sustained attention to men's (as well as women's) achievement of work-family and work-life balance;
- ⊕ the widespread adoption of family-friendly policies and processes in workplaces;
- ⊕ substantial paid maternity and paternity leave; and
- ⊕ the re-working of current family policies which reward a home-maker/breadwinner split in couple families and penalise single parent families which share care of the child with the other parent. ■

How much money is enough? from page 3

The figures for Britain and Australia are remarkably similar. Overall, three in five people in each country say that they cannot afford everything they really need. Nearly half among high-income households feel dissatisfied with their incomes, while four in five in the lowest income group feel the same way.

No matter how wealthy people are, they believe they need more money to be happy.

Citizens of the United Kingdom and Australia appear to be significantly more dissatisfied with their incomes than Americans. This is true at both the top end and the bottom end of the scale. Overall, half of Americans say they cannot afford to buy everything they really

need, compared to six in ten Britons and Australians. While nearly half of the richest households in Britain and Australia say their incomes are inadequate, only one third of wealthy Americans take that view.

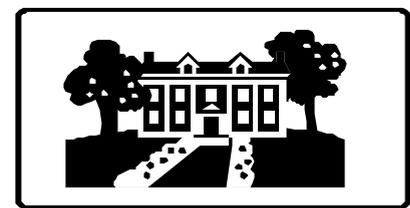
However, the US survey was conducted in 1995 and the results should be compared with caution. It is hard to know whether Americans have become more or less prone to think of themselves as being materially deprived in the last eight years.

While 11 September and subsequent events may have induced some Americans to value what they have more highly, in her book *The Overspent American* Juliet Schor presents some results suggesting that the level of desired income may grow faster than the level of actual income. In a poll conducted in 1986, Americans were asked how much income they would need to fulfil all of their dreams. The answer was US\$50 000.

Eight years later the figure had risen to \$102 000.

It is fair to conclude that a substantial majority of people in the three countries who experience no real hardship, and indeed live lives of abundance, believe that they have difficulty making ends meet. However, when asked to stand back and reflect on their lives and their society most people take quite a different view.

In response to another question in the British and Australian surveys, 87 per cent and 83 per cent respectively said that their societies are too materialistic, with too much emphasis on money and not enough on the things that really matter.



Pharmaceuticals and the FTA

The free trade agreement between Australia and the US is still being negotiated. Since the publication of the Institute's Discussion Paper examining the potential impact of the FTA on the Pharmaceutical Benefits Scheme (PBS), the US has admitted that changes to the PBS constitute an area of interest. The following analysis, based on a recent Institute web-paper, provides a comparison between the prices paid for pharmaceuticals in Australia and in the US with respect to ten top-selling drugs. Richard Denniss reports.

If the US-Australia Free Trade Agreement diminishes Australia's ability to obtain pharmaceuticals at current affordable levels and, as a result, prices rise to resemble those in the US, the detrimental impact on public health will be immediate. To understand the likely effect of these changes, we need only look as far as the US to discover the consequences of deregulated pharmaceutical pricing on access to essential medicines.

The high price of pharmaceuticals in the US has been shown to affect the ability of people to meet basic living expenses such as food, housing and transportation. A Commonwealth Fund survey in 2000 found that of those elderly Americans with high out-of-pocket drug costs, 29 per cent had difficulties meeting daily living expenses. Similarly, a US Senate report in the early 1990s found that despite safety nets, out-of-pocket pharmaceutical expenditures and unregulated pricing

meant that five million older Americans were forced to choose between buying food and buying medicine.

Costs associated with the high price of pharmaceuticals in the US have been shown to cause difficulties in meeting basic living expenses.

Evidence from Australia also indicates that co-payments for pharmaceuticals burden a considerable number of people who experience difficulties in obtaining essential medicines prescribed by their doctor. This is particularly the case for many elderly patients who need to fill multiple scripts each month, and working families who do not have the benefit of concession cards.

Delayed access to essential medicines as a result of higher costs to patients will

have a significant detrimental impact on the health of Australians. Apart from increasing the severity of existing illness and decreasing the quality of many people's lives, it will lead to an additional burden on public hospitals as patients delay treatment until a crisis forces them to visit hospital emergency departments.

By how much can we expect pharmaceutical prices to rise in the event that the industry succeeds in changing the reference pricing system of the PBS?

The Productivity Commission examined the list prices for a large basket of medicines commonly used in Australia and compared them to prices in several countries including the US. It found that on average retail prices were between 160 and 250 per cent higher in the US than in Australia and at least 84 per cent higher when discounts available to large institutional buyers are considered. *Continued on page 8*

Table 1 Wholesale prices of ten of the most prescribed brands in Australia and the US

Drug	Use	Prescriptions in Australia	Wholesale price in the US	Wholesale price in Australia	Excess of US price over Australian
		Millions	\$A	\$A	%
LIPITOR atorvastatin 20mg	Cholesterol	5.20	\$89.50	\$49.95	79%
CELEBREX celecoxib 200mg	Arthritis	3.55	\$101.48	\$24.97	306%
ZOCOR simvastatin 20mg	Cholesterol	2.90	\$103.45	\$48.89	112%
(PRI)LOSEC omeprazole 20mg	Stomach ulcers	2.55	\$102.66	\$39.12	162%
VIOXX rofecoxib 25mg	Arthritis	2.34	\$74.95	\$34.70	116%
ZOLOFT sertraline 50mg	Antidepressant	2.22	\$62.57	\$29.28	114%
NORVASC amlodipine 5mg	Blood pressure	2.12	\$35.69	\$18.52	93%
VENTOLIN salbutamol inh1	Asthma	1.72	\$42.90	\$11.47	274%
AVAPRO irbesartan 75mg	Blood pressure	1.67	\$40.01	\$16.30	145%
PRAVACHOL pravastatin 20mg	Cholesterol	1.61	\$75.96	\$43.55	74%

Sacrificing democracy for growth

The Reid Oration was given by Clive Hamilton, Executive Director, The Australia Institute, on the 29th July 2003 at the University of Western Australia.

When I worked as an economist in the Commonwealth Government in the late 1980s it was understood implicitly that policy making in Australia was dominated overwhelmingly by a group of highly trained economists with an extremely narrow view of the world based on an unflinching faith in private markets. In Australia, it was the Hawke Labor Government that was captured by this view and I think there was one incident that symbolized how this capture occurred.

When Paul Keating became Treasurer in the first Hawke Government in 1983, his chief economic advisor was John Langmore, an economist with a passionate commitment to the down-trodden who described himself as a Christian socialist. (He also helped found The Australia Institute.)

Growth fetishism has mounted a three-pronged assault on democracy.

Soon Keating received a phone call from the Secretary of the Treasury, John Stone, who invited him over to Treasury for a quiet chat, without his advisers. Keating visited Treasury alone and came back a changed man; he had been convinced that the economic rationalists held the answer to Australia's future and provided the program for Keating to make his mark on history.

In Canberra, the repository of ideological purity was the Productivity Commission (then called the Industries Assistance Commission) which relentlessly advocated deregulation of the economy and the minimization of the government's role in everything. Unbelievable as it sounds, there was a section within the Commission whose

role was to vet every report to ensure it did not deviate from the correct line, a section that was known even within the Commission as the 'thought police'.

One senior economist drawn from outside the Commission to serve on an inquiry tells of a meeting he and a junior staffer had with the thought police to discuss the draft report. At one point the staffer made an observation about the equity implications of the recommendations. One of the senior members of the thought police pulled an atomizer from under the table and sprayed him. His comment was regarded as too wet.

When Michael Pusey published his book *Economic Rationalism in Canberra* in 1991 the angry reaction of the economic rationalists and their camp followers in the press was astonishing. Everyone knew that Pusey's basic thesis – that the policy heights had been captured by hard-line economic rationalists – was undeniable.

Yet it was necessary to deny it, mostly because it was embarrassing for a Labor Government to be seen to be the architects and advocates of the most far-reaching pro-business revolution the country has ever seen. By the time *Four Corners* investigated the phenomenon some years later, a senior Labor Minister was willing to say publicly that when the Government wanted new ideas it went to the Business Council of Australia, and a former senior Treasury official said that Treasury got up more of its agenda under Labor than it ever could have hoped for under the Coalition.

Arising from these historic changes, the political culture of Western democracies has been transformed. Growth fetishism has mounted a three-pronged assault on democracy. First, it has said to the people:

you must leave the important decisions to the experts, to the economists who understand how to maximize growth and thus give you what you want.

Second, it has given us a world of ever-expanding choice, but only for those who value the freedom of the supermarket. It has disenfranchised those who want freedom to act collectively to restrict the market and keep its values out of areas of social and personal life where they do not belong.

There is a popular belief that the democratic process has become an elaborate charade.

Finally, growth fetishism has been the magnet that has drawn the political parties together, converging on a faith in the ability of the market to deliver more wealth and thus more happiness. The convergence of the parties has deprived the citizenry of political choice.

The blame for this must be laid principally at the feet of the social democratic and labour parties. People no longer know what the parties of the Left stand for. The policies of these parties no longer resonate. Party loyalty has been eroded because the vision for a better future that once inspired the parties of the Left has dissolved. The more the parties converge in substance, the more they must attempt to differentiate themselves through spin.

The politics of spin are the politics of falsity, and there is a popular belief that the democratic process has become an elaborate charade. The major parties, now dominated by careerists, lash out at their opponents with declarations of

Continued on page 8

Table 2 Wholesale prices for brands in important therapeutic groups in Australia and the US

Use	Drug	Wholesale price in the US \$A	Wholesale price in Australia \$A	Excess of US price over Australian %
Antibiotic	KEFLEX cephalixin 500mg	\$89.83	\$7.21	1146%
Diuretic	LASIX frusemide 20mg	\$18.69	\$4.15	351%
Anxiety	VALIUM diazepam 5mg	\$36.37	\$3.27	1011%
Breast cancer	NOLVADEX tamoxifen 20mg	\$208.33	\$71.00	193%
Contraceptive pill	LEVLEN ED estradiol/levonorgestrel	\$39.15	\$9.49	312%

A recent Institute web-paper, *Comparing drug prices in Australia and the USA*, examines on a case-by-case basis, the prices of Australia’s most popular brand-name medicines and compares them with those charged by manufacturers for the same products in the US.

Table 1 lists the wholesale prices paid for ten of the most prescribed brands in Australia and those paid for the same products in the US. Table 2 compares wholesale prices in the two countries for popular brands in five important therapeutic groups. Only exact matches in terms of brand, dose, type and pack size are compared. Detailed discussion of the method used is provided in the web-paper.

US prices reported in the Table are based on those in the Federal Supply Schedule (FSS) as they represent prices paid by an American purchasing entity most comparable to the Australian PBS. The FSS is a catalogue of manufacturer prices administered by the US Department of Veterans Affairs. Comparisons between

wholesale prices in Australia and US prices listed in the FSS are most useful in isolating the effects of Australian pricing control regulation on price differentials. This is because both entities are comparable in many regards except for the fact that Australia uses economic evaluations, or reference pricing, in determining the cost of pharmaceuticals while the FSS does not.

If the pharmaceutical companies are successful in eliminating or undermining the reference pricing system of the PBS, Australia could expect to see price increases.

Differences in health systems, demand conditions, patent laws and production costs between the two countries make it difficult to predict exactly what prices will be in a deregulated environment in Australia. However, as shown in Table 1, the wholesale prices of ten of the most pre-

scribed drugs in Australia are at least 79 per cent to 306 per cent more expensive in the US. The average (unweighted) price difference is 147 per cent.

Price differences are even more pronounced when the prices of popular brand names in important therapeutic groups are compared (Table 2). Some diuretics and contraceptives are four times more expensive in the US and the anxiety medicine Valium and the antibiotic Keflex are more than ten times more expensive.

If the pharmaceutical companies are successful in eliminating or undermining the reference pricing system of the PBS, Australia could expect to see price increases of this order. ■



Sacrificing democracy fom page 7
outrage while tacitly agreeing not to break the neoliberal consensus.

Growth fetishism and neoliberalism have undermined democracy. In its place we have seen the spread of a sort of market totalitarianism. Whenever we hear a politician, an economist or a World Bank official say that globalisation and the spread of the market are inevitable and there is

nothing we can do to stop them we hear the spirit of democracy sigh.

But this is beginning to change. Western society’s preoccupation with economic growth is now running up against the manifest failure of higher incomes to improve wellbeing; this is the great contradiction of modern capitalism. Growing numbers of people are making life-transforming decisions to escape from the money illusion; they are

staging a withdrawal from the market in order to establish some balance in their lives.

They are taking back control of their time from the work-and-spend cycle, time for their families, for their friendships, for their communities and for their own personal development. These people are the forerunners of a post-growth society, and I fully anticipate that they will soon want to take back democracy too. ■

Homophobia and schools

Homophobia is pervasive in schools, and limits the well-being of gay and heterosexual students alike. Michael Flood explores the links between gender, homophobia and heterosexism in a keynote speech at the Homophobia in Education Settings Roundtable Series presented by the Anti-Homophobia Interagency Working Group on 27 August 2003 in Sydney.

Homophobia refers to the fear and hatred of homosexuals and to anti-homosexual beliefs and prejudices. Homophobic beliefs typically include the idea that homosexuality is unnatural, sick, perverse or dangerous, while heterosexuality is natural and normal. Another useful term is heterosexism, which emphasises the legal, material and cultural privileges associated with heterosexuality and the injustices and cultural invisibility associated with homosexuality.

Australian surveys show that about one in nine secondary school students has experienced sexual attraction to the same sex, and about one in 30 is exclusively attracted to people of the same sex. Homophobia is a routine presence in the informal and formal processes of schooling. Heterosexism is evident in the silencing and negation of homosexuality in the curriculum, teachers' and schools' indifference to homophobic taunts and violence, and verbal and physical harassment among students.

Homophobia refers to fear and hatred of homosexuals and to anti-homosexual beliefs and prejudices.

A national survey of same-sex-attracted young people aged between 14 and 21 years found that 69 per cent had been harassed and abused at school (making school a more violent place for these students than the streets), 46 per cent had been verbally abused, 13 per cent had been physically assaulted, and many of the remainder reported that no one knew about their sexuality and they feared the consequences if they were found out.

Homophobic harassment creates an unsafe learning environment affecting all

students. Gay, lesbian, bisexual and transgender students may face isolation, confusion, marginalisation, higher rates



of personal stress and alienation, lowered self-esteem and self-hate, poor school performance, dropping out of school, homelessness, drug and alcohol abuse, and suicide. But as with most situations of oppression, there is resistance. Young gay men and lesbians adopt creative strategies that challenge heterosexism and create spaces for the joys and loves of same-sex sexual relations and identities.

Heterosexual students also are limited by homophobia. They are locked into rigid and gendered ways of being that inhibit self expression; their ability to form close relationships with members of the same sex is hindered; they may have sex prematurely to prove their heterosexuality, increasing their chances of becoming pregnant or contracting a sexually transmitted infection; and they can be subject to harassment and violence because of misperceptions that they are gay or lesbian.

There are particularly powerful links between homophobia and gender. Homophobia is central in dominant constructions of masculinity. Males

tend to be more homophobic than females, and growing up boys face the continual threat of being seen as gay and the continuous challenge of proving that they are not gay. Homophobic accusations saturate boys' culture, especially in early high school, and terms such as 'gay' and 'poofter' become key repositories for any kind of unacceptable male behaviour.

Homophobia constrains all boys' interpersonal and academic development. Homophobic words acquire such meanings as being soft and weak, a 'girl', academic, or not belonging, encouraging boys to shun academic involvements and to exaggerate stereotypical masculine qualities of bravado and dominance. Homophobia also is implicated in boys' bullying, violence and abuse directed at other boys and men, and in sexual harassment and violence directed at girls and women.

Homophobic harassment creates an unsafe learning environment affecting all students.

Tackling homophobia is therefore a key task for anyone concerned with the well-being and development of young people, the role of schools in enabling students to reach their academic and social potential, and the promotion of fair and healthy relations among people of diverse sexualities and genders. ■

The Anti-Homophobia Interagency Working Group consists of representatives from teachers' and parents' organisations, the NSW Police, youth and health services, and relevant government departments. It is encouraging to see such a collaborative commitment to addressing homophobia and related issues in educational environments.

Annual leave in Australia

The issue of the growth in average hours of work has been a subject of much discussion of late. In a recent Institute Discussion Paper Richard Denniss considers a new dimension of work-life balance, access to annual leave.

Australians may believe that they live in the land of the long weekend but new data collected by Newspoll for The Australia Institute show that, in 2002, only 39 per cent of full-time employees took all of their annual leave entitlement (Table 1).

When asked why they did not take their leave, around two in five full-time employees said they were saving it up for later use. But a similar number (42

administrators are the most likely to cite being too busy at work for failing to take their annual leave (55 per cent).

While much has been said about the desire of individuals to increase their incomes in order to increase consumption or save for their retirement, there is evidence that, for a portion of the community at least, other lifestyle factors are more important. When survey respondents were asked



such as the higher likelihood that workers aged 25-34 have young families.

Table 1 Whether respondents took all their annual leave in 2002 (%)

	Total	Male	Female	25-34	35-49	50-59
Yes	39	38	41	37	36	50
No	57	60	53	59	60	48
Don't know	4	3	6	4	4	2

Note: Columns may not add to 100 due to rounding

per cent) cited work-related reasons, including being too busy at work (29 per cent) and not being able to get time off that suited them (13 per cent).

Although nearly all people who failed to take their annual leave said it was because they were too busy, high income earners (those earning over \$100,000 per year) were the most likely to specify work-related reasons (67 per cent – see Table 2). When the reasons for not taking time off are analysed by occupation, managers and

whether they would prefer a four per cent pay rise or an additional two weeks of annual leave, over half (52 per cent) said they would prefer the additional leave (see Table 3).

Men had a slightly higher preference for more leave than women and respondents aged 25-34 were more likely to express a preference for leave (57 per cent) than those aged 50-59 (48 per cent) even though their incomes are generally lower. This could reflect a generational preference for leisure over income or perhaps age-specific factors

Holidays are an important mechanism for improving work-life balance. A great deal has been written about weekly hours of work but access to annual leave has been a neglected area of research. These new data point to two important labour market problems. First, a significant proportion of full-time employees are having difficulty using up their existing entitlement to four weeks holiday leave. Individual firms may encounter unforeseeable circumstances that inhibit the granting of holiday leave at times desired by employees but the fact that 42 per cent of employees have difficulties obtaining leave due to work pressure suggests that the problem is structural. This indicates that policy makers may need to consider mechanisms to ensure that all employees have reasonable access to their existing entitlements. It also points to the fact that leave purchasing schemes, where they exist, are either insufficiently wide-

Table 2 Reasons for not taking all paid leave entitlements, by income (%)

	Total	Under \$25000	\$25000-\$39999	\$40000-\$54999	\$55000-\$69999	\$70000-\$99999	\$100000 or more
Saving them up for a future holiday	39	27	44	46	43	29	0
Work related difficulties	42	47	33	42	40	38	67
Enjoy work or money more	11	19	16	7	17	9	0
Other	20	8	29	12	21	26	34

Note: Some respondents gave more than one reason.

Table 3 Preferences for a 4 per cent pay rise or an additional 2 weeks paid leave, by gender and age (%)

	Total	Men	Women	25-34	35-49	50-59
4 per cent pay rise	45	45	44	40	47	49
Additional 2 weeks holiday leave	52	53	49	57	49	48

spread or inadequately promoted or administered.

The second problem relates to the failure of the labour market to match conditions of employment with employee preferences. More than half of full-time employees have expressed a desire for

additional leave, yet this desire has not been translated into employment arrangements that provide improved work-life balance. Despite 15 years of labour market deregulation it is apparent that existing labour market outcomes do not match the preferences of employees.

Labour market deregulation in Australia has resulted in substantial changes to the operation of individual workplaces and consequent claims that the flexibility of the labour market has been increased. However, it is apparent that the preferences of many workers are not reflected in the nature and duration of the jobs that are on offer.

It appears that the majority of full-time employees would like the ability to take extra holiday leave but experience difficulties taking even present entitlements. If policy makers are sincere about improving the work-life balance of Australian workers they will need to consider new mechanisms to ensure that workers' preferences for work-life balance are recognized by employers. ■

WWW.GROWTHFETISH.COM

Growth Fetish Website

In April this year Clive Hamilton's new book, *Growth Fetish*, was published by Allen & Unwin. It has proved to be a best-seller and is now into its fourth printing. The book deals with the obsession of modern governments with economic growth at all costs and discusses the impacts this ideology is having on our environment, our ethos and our aspirations.

In order to help publicise the book and also to provide some information about it, The Australia Institute created a new website, www.growthfetish.com. The site features reviewers' comments, information about the author and The Australia Institute and links to excerpts from the book.

It is expected that *Growth Fetish* will be published in the UK early next year and the Institute has commissioned a new and better site in order to promote the book and Clive's ongoing work to an international audience. The new website will provide a contact point for people who are inspired by the ideas in the book and are looking for 'where to sign up'. Readers will be able to email the site and later on there will be an online chat facility. It is expected that the new site will be up and running in mid September.

The revamped site will contain further discussion of topics related to growth fetishism including three major speeches Clive has recently given:

1. 'Can porn set us free?' A speech to the Sydney Writers' Festival on 25th May 2003;
2. 'Hijacking hope', a talk to the Adelaide Festival of Ideas on 11th July 2003; and
3. 'Sacrificing democracy for growth', the Reid Oration at the University of Western Australia on 29th July 2003.

There will also be links to existing and new online articles.

We hope the new *Growth Fetish* website will be interesting, informative and fun. Please visit it on www.growthfetish.com and let us know what you think.

Institute notes

New Publications

Comfortable, relaxed and drugged to the eyeballs, by Clive Hamilton, Web Paper, May 2003

Annual leave in Australia: An analysis of entitlements, usage and preferences, by Richard Denniss, Discussion Paper 56, July 2003

The double dividend: an analysis of the job creation potential of purchasing additional holiday leave, by Richard Denniss, Web Paper, July 2003

Comparing drug prices in Australia and the USA: the implications of the US-Australia Free Trade Agreement, Web Paper, July 2003

Overconsumption in Britain: A culture of middle class complaint? by Clive Hamilton, Discussion Paper 57, September 2003

Forthcoming Publications

- ◆ HECS debts and fertility
- ◆ Fatherlessness
- ◆ Further analysis of overconsumption and downshifting
- ◆ Border adjustments for greenhouse taxes
- ◆ Geosequestration: the answer to climate change?

Bon voyage to Clive

Clive Hamilton is spending four months in England as a visiting fellow of Clare Hall in Cambridge. He left Australia in mid August and will return in early December 2003. In his absence the role of executive director is being filled by Richard Denniss. We wish Clive a very happy and productive time in Cambridge.

The Australia Institute

Members of the Institute receive our quarterly newsletter and free copies of recent publications (on request).

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