

# Activists: How to beat them at their own game

***This was the title of a half-day workshop sponsored by the Institute of Public Affairs and the Public Relations Institute of Australia held in Melbourne in April. Leading the workshop was Canadian PR consultant Ross Irvine, well known for his hostility to community groups and NGOs. Katherine Wilson went along to hear what he had to say.***

When he arrives in Australia the *West Australian* dubs Ross Irvine “Rambo Ross” and ABC Radio’s Jon Faine calls him “the anti-activist-activist”.

The workshop is held in a plush seminar room at South Melbourne’s Mount Eliza Business School, with the \$599 fee payable to the Public Relations Institute of Australia (PRIA).

Irvine has pulling power. Filing in to see him is a *Who’s Who* of powerful industry and government flacks. David Gazard, adviser to the Federal Treasurer, is here. So is the adviser to Special Minister of State, Eric Abetz. And people from Rio Tinto, Shell, Dow Chemical, Avcare, the Victorian Farmers’ Federation, Department of Primary Industries, Bayer, GrainCorp, Dairy Australia and Nufarm, which distributes Monsanto herbicides.

“Public relations is war”, announces Irvine.

There’s Tattersalls (gambling objection issues), the Port of Melbourne Corporation (channel-deepening issues) and people from PACIA (Plastics and Chemicals Industries Association). There are SOCOM staff, PRs for the insurance and building industries and local councils. And there’s a young City

of Darebin PR. “Development objections,” he explains. “Tram stop advertising. That kind of thing.”

We’ve all come to hear a man who claims that proportional representation is “a bizarre thing” and that “corporate responsibility is a weakness. Corporate responsibility is letting someone else set the agenda.” Irvine believes sustainability is “an extremist position”, that science’s ‘precautionary principal’ is “extreme”, and that maintaining biodiversity “turns back the evolutionary clock millions of years and eliminates humans from the face of the Earth! That’s extreme!” Animal protection bodies, he says, really want to “sever all contact between humans and animals”.

“Public Relations is war”, announces Irvine. He seems to suggest that the words ‘activist’ ‘terrorist’, ‘criminal’, ‘guerilla’ and ‘security threat’ can be used interchangeably. Don’t be fooled, he warns, when activists claim they’re about Third World hunger or the environment or public health. “If you’re in business and you support biodiversity,” he says, “beware of what you’re *really* supporting... look beyond their immediate intentions. Their goal is a much larger concept that business, media and politicians must address.”

Someone asks: Why see activists as the ‘enemy’? Can’t industry engage with moderate activists? Some people agree,

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others shake their heads. No, warns Irvine. Once you cave to one demand, they'll come up with a whole bunch of others, which will eventually threaten capitalism itself. "You will really screw yourself in the end."

Legal threats aren't working against activists, insists Irvine. Look what happened to McDonalds. The Farmers Federation representative mentions the Grand Prix, how the organisers had to deal with Albert Park residents and "crazy little old ladies", having to spend money "combating their crap".

The PACIA man says, "An activist group can go outside the private house of a CEO of a chemical company, roll up there and say, 'you're a baby-killer'. But if the same chemical company paid their workers to go outside the house of green activists and say, ah, 'you're a gay lesbian who does naughty things to whales', ah — we couldn't do that." The PR man from Darebin Council corrects him. "'Gay lesbian' is a tautology", he says.

To combat the problem of activist letters in newspapers, Irvine urges PRs to engage more people to write letters. "If there are three letters in there in one week saying, 'GM [foods] are good', the politicians think, 'hey, that's pretty neat'." The two staffers from Peter Costello's office, sitting up the back, look bored.

Activists have time and resources to do things that corporates don't, says one. Irvine agrees. "The smaller groups often get a tremendous amount of power and influence that they don't deserve... Quite frankly, business doesn't have the resources and capability that activists do."

The Port of Melbourne Corporation's PR says her company spent \$12 million on an environmental impact statement, "and we didn't get the result that we want". She says, "you can't demonstrate entirely that nothing will go wrong" unless you go ahead and channel-deepen.

The PRIA's David Hawkins says, "The challenge, I think, from what Ross is saying, is... we need to work out how we **can** break the law to do these

things". To the PACIA man's complaint that chemical companies are legally obliged to consult with community, Irvine says, "This is a process that activists have put in place over years! What they've gradually done to the State!" Hawkins adds, "What Ross is saying is that we need to be activists too, expand our networks to actually change the legislation".

"We have to reach out," says Irvine, "to other people to become part of our network. We need to empower *others* to become our messengers. We must recruit others."

The Darebin PR man later asks, "Are you also saying then that, the VFF for instance, should go and get some far-right-wing nutso activists of their own, so that *they* can do the far-right-wing stuff, and the government will then turn around to the VFF and say, 'well you guys are the moderates and mainstream guys. We'll talk to you'... is that right?"

"That's what the network is all about", says Irvine.

He quotes Margaret Thatcher, George W Bush, Fox News and RAND, and recommends the Institute of Public Affairs's (IPA) anti-NGO literature. "The IPA may be considered a little bit right-wing to some people, a little bit free-market-driven... Twenty years ago I would have said they're a bunch of nutters..."

We split into groups. One group finds ways to discredit activists. (How? Irvine advises, "Discredit the ideology and defeat the terrorists".) They come up with: "Call them suicide bombers... make them all look like terrorists... tree-hugging, dope-smoking, bloody university graduate, anti-progress..." and "Spot the flake. Find someone who would represent the enemy but clearly doesn't know what the issue is... find a sixteen-year-old" and "distract the activist with side issues... and make enemies within the enemy camp so they spend all their time fighting and that helps to deepen their disorganisation."

My group is charged with 'empowering others' to support our cause. Our cause is the Port of Melbourne channel-deepening. Once we've dealt with who

we 'empower' (unions, farmers' groups, retailers), Hawkins suggests marginalising the environmental argument. This could be done with what Bush flacks call 'the firehose method' — bombarding the media with issues, information and press conferences so they don't have the resources to interview alternative sources.

To my suggestion that the case for channel-deepening should be the voice of reason, Hawkins says, "No, no, let's be the voice of *un*reason. Let's call them fruitcakes. Let's call them nut—nutters. You know, let's say they're..."

"Environmental radicals", suggests the Darebin PR.

"Exactly. You know... say they represent 0.1 per cent but they dominate, you know, let's absolutely go for them."

We discuss Astroturfing. Named after a synthetic lawn, it's the creation of bogus community groups or independent authorities who endorse industry practice, recruit lesser-informed citizens, confuse the debate and make the real community groups appear extreme.

"Quite frankly, business doesn't have the resources and capability that activists do."

*The Guardian* uncovered one case in which Monsanto's PRs invented fake science experts and online 'scientific communities' who discredited genuine peer-reviewed science reports. Protest movements were also invented, including one at Johannesburg's World Summit on Sustainable Development, widely reported as a demonstration by third world farmers chanting "I don't need white NGOs to speak for me".

In our group is Bernadette Basell, senior partner of KKPR, which represents the mobile phone industry. She doesn't share Hawkin's approach, telling me later that "misrepresentation and deception, such as Astroturfing, is deplored by most in the public relations industry. Community groups usually have genuine concerns that need to be addressed."

# Mapping Homophobia in Australia

**A large database compiled by Roy Morgan Research using self-completion interviews with 24,718 respondents aged 14 and over was used in a study by The Australia Institute to identify the extent of homophobia in Australia. Michael Flood and Clive Hamilton report.**

Hawkins later sends me an email to clarify. "It is totally unacceptable and unethical for any PR practitioner to pretend to represent another organisation that they do not represent or to fabricate a community group or identity", he writes.

Some NGO and academic sources allege that Irvine is SuperAstroturf, imported by front groups to seed a lawn of propaganda. "The wild claims of far-right groups like the IPA drag the spectrum of political debate to the right", says Tim Thornton, lecturer and researcher at Monash University's economics department. "What was once a moderate position is depicted as extreme, while extremist propaganda seems reasonable, particularly when it's dressed up as fact. Once these ideas were at the edge of sanity, now they're at the edge of policy."

The IPA's campaign to strip charitable NGOs of their tax exemption status if they engage in advocacy (or 'activism') is the essence of both Irvine's workshop and the *Draft Charities Bill*, which may be passed now that the Coalition has gained Senate control. The Howard government paid the IPA \$46,000 to develop 'advice' for this Bill because, it claims, NGOs have too much influence on government.

Thornton, who researches NGOs, calls these claims "paranoid nonsense, an ideological obsession that sits badly with basic reasoning and observation. The evidence reveals that humanitarian and environment groups enjoy wide support among the electorate, but they actually have little influence on policy compared with business lobbies. Yet they have to be at least as accountable as these lobbies."

After the Perth, Melbourne and Brisbane workshops, Irvine is flown to an unadvertised Canberra workshop. (The Canberra event is, however, posted on some e-lists.) Later I ask Costello's adviser, David Gazard, why he and Australia's big industry, council and government flacks attended a forum that promotes ways to stop citizens participating in the democratic process. He declines to comment. ■

Homophobia refers to the unreasoning fear or hatred of homosexuals and to anti-homosexual beliefs and prejudices. While not a phobia in the literal sense, it is a useful term of social description for everyday emotional tension about sexual identity that is widespread among heterosexuals. While not everyone who is homophobic engages in discriminatory behaviour towards gay men and lesbians, they are more likely to contribute to a general attitude of intolerance. Thus derogatory and insulting remarks about gay men and lesbians by, for example, prominent radio personalities reinforce intolerance and appear to sanction discriminatory behaviour.

The forms of discrimination faced by gay men and lesbians include: denial of access to housing; refusal of health treatment; inconsistent laws regarding the age of consent; lack of official recognition of same sex relationships; and various forms of vilification including violence.

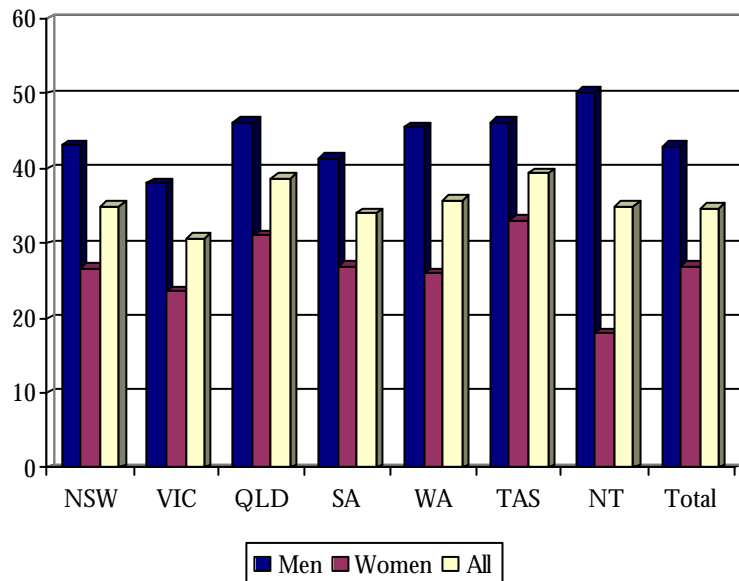
In this study homophobia is identified with those who believe that homosexuality is immoral. Overall, 35 per cent of the population aged 14 years and above believes that homosexuality is immoral. When broken down by gender, nearly 43 per cent of men and 27 per cent of women take this view.

Queensland and Tasmania are the most homophobic states and Victoria is the least, although among men the Northern Territory is the most homophobic area. In general, city areas in all states are less homophobic than country areas, but there are exceptions. For example, the Newcastle and Hunter region of NSW is less homophobic than several areas of Sydney.

Within the major cities there are substantial variations in the level of homophobia by region. In Sydney, the Central region is the least homophobic and the Southern suburbs the most. In Melbourne, the Inner City is the least

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## Per cent who consider homosexuality to be immoral, by state



*Katherine Wilson is a Melbourne-based writer.*

Source: Roy Morgan Research, October 2003-September 2004

# Poverty in Australia: Vinnies versus the CIS

**The dispute that has flared between the St Vincent de Paul Society and the libertarian Centre for Independent Studies exemplifies the deep divide in Australian public life opened up by the conservative political climate. Clive Hamilton comments.**

In May this year the St Vincent de Paul Society published a paper arguing that income inequality has been increasing in Australia. CIS researcher Peter Saunders responded with a highly critical paper titled 'A Headlong Dash into the Chasm of Hyperbole' which asserted that the Vinnies' claim that income inequality had worsened in Australia was grossly exaggerated based on unsupportable rhetoric and selective use of statistics.

The real fight is over what sort of society Australia should be.

Suggesting that the Vinnies report is more Marxist than Christian, Saunders argued that in reality the Federal Government is now making unprecedented levels of cash transfers to the poorest 30 per cent of Australians and that low-income households have enjoyed strong growth in private incomes under the Coalition Government. He reported ABS figures that appear to disprove Vinnies' claim that there has been no substantial widening of income disparities in Australia over this period.

The criticism of the Vinnies report has been seized upon by ideological warriors friendly to the CIS and the Howard Government including Christopher Pearson and Frank Devine in the Murdoch press. As this suggests, the dispute over statistics between the St Vincent de Paul Society and the CIS is just shadow boxing. The real fight is over what sort of society Australia should be.

The authors of the Vinnies report regard wide disparities in incomes and the continued existence of poverty in Australia as a blight on society, one that arises because of structural factors that work against the interests of the poor and marginalised. The policies of the

Howard Government (and perhaps the Labor Government beforehand) exacerbate and justify inequality and poverty.

The CIS believes that individuals make their own circumstances and must take responsibility for their situation. Free market economies provide maximum freedom for people to use their abilities and there are no structural reasons preventing them from doing so. With a few exceptions, it is not the task of government to bail out those who have not taken responsibility for themselves. On the other hand, people who have worked hard and done well should not be required to give up income in the form of taxes to support others who have not.

## 'Behavioural poverty'

Those who have backed the CIS in this dispute may be more hesitant to defend the research of the CIS if they were familiar with earlier work by that organisation on the question of poverty and inequality.

In May 2000 the CIS published a report titled 'Behavioural Poverty' which argued that the only poor people in Australia are those who choose to be poor through their own 'imprudent or irresponsible behaviour'. It argued that the welfare system itself creates poverty and that giving income support to parents of low-income households is just as likely to see the money spent on 'cigarettes or heroin' than toys for their 'suffering children'.

The paper attempted to use statistics and various authorities to support its belief that our material circumstances are always our own responsibility and if anyone finds themselves destitute they have none to blame but themselves.

'Behavioural Poverty' is a mish-mash of unsupported, illogical and just plain silly prejudices about low-income households, seemingly arising from an



imagined world of Hogarthian debauchery out there in the western suburbs.

Masquerading as an academic paper, the CIS report attempted to give its pronouncements credibility by reference to various authoritative sources, including the popular novel *Angela's Ashes* (to prove how welfare-dependent drunken fathers destroy families) and a number of ABS publications that don't exist.

The CIS believes that individuals make their own circumstances and must take responsibility for their situation.

Among the extraordinary claims of the CIS is that before 1975, which is somehow characterised as the start of 'welfare', 'there was no youth homelessness ..., no drug problem, low youth suicide and relatively little crime by minors'. The paper takes an especially harsh view of single mothers whose 'behaviour' has been corrupted by the Sole Parent Pension which is 'income support for illegitimacy and divorce'.

In a final flourish the CIS paper declares that poverty today is defined by 'ignorance, waste and shiftlessness', a phrase that captures the relentless nastiness of the whole document, but

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# The EPBC Act: A five-year assessment

**In discussion paper 81, entitled Environment Protection and Biodiversity Conservation Act: A Five-Year Assessment, Andrew Macintosh and Deb Wilkinson examine the Act's environmental assessment and approval process and its effectiveness in protecting the environment.**

In July this year, the *Environment Protection and Biodiversity Conservation Act 1999 (Cwlth)* (EPBC Act) celebrated its fifth anniversary. It wasn't cause for celebration. Drawing on all publicly available evidence, the Australia Institute's report on the Act's environmental assessment and approval process concluded that it has failed to produce any significant environmental improvements and that its failure is at least partly attributable to the fact that the Government has been playing politics with the process.

This conclusion was based primarily on four facts, which have not been disputed by the Minister for Environment and Heritage, Senator Ian Campbell.

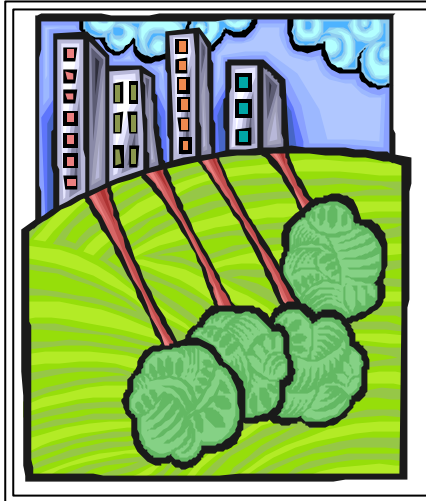
Firstly, only a very small number of agricultural, fishing and forestry activities have been referred to the Minister as is required under the legislation. Fishers have been particularly remiss. Over the last five years, not one referral has been made in relation to commercial fishing – a staggering statistic when you consider that the number of overfished

*Vinnies and the CIS from page 4*

which also betrays the true feelings of the intellects of the libertarian right.

In truth, the underlying difference between the St Vincent de Paul Society and the Centre for Independent Studies is not one of statistics or even of ideology; the difference lies in the emotional responses of the protagonists to the condition of the poor and dispossessed. The Vinnies people are moved by compassion and a caring disposition, while those associated with the CIS are hard-hearted and punitive.

Even if the Vinnies' claims about the extent of poverty were contradicted by the statistics, I know whose world I would rather live in. ■



species in Commonwealth waters has grown from seven to 17 since the Act was passed. Similarly, very few land clearing proposals have been received from the agricultural sector, despite the fact that since the Act commenced land clearing for agricultural purposes in Queensland has actually increased, rising from around 350,000 hectares in 2000/01 to more than 520,000 hectares in 2002/03.

Secondly, in sharp contrast to almost all other regulatory regimes, only two out of over 1,500 referred activities have been stopped. Minister Campbell has defended this statistic on the basis that the Government is merely balancing the needs of the environment with those of the economy. In response to the report he was quoted as saying, 'I don't think any Australians would want to have an environment law that stops all projects'. We agree, but surely they want a regime that stops some activities that drastically harm Australia's biodiversity and heritage.

The EPBC Act has failed to produce any significant environmental improvements.

Thirdly, only two prosecutions have been carried out and only one of these was successful. The successful prosecution concerned the clearing of 100 hectares of an ephemeral Ramsar listed wetland in northern New South Wales. While the case has been widely lauded as an example of the Government's willingness to prosecute offenders, it was in truth, a prime example of regulatory failure.

The Department of the Environment and Heritage was made aware of the clearing in September 2002, at which stage only 20 per cent of the site had been cleared. However, the Government attempted to negotiate an outcome and while it did so, the defendant cleared and ploughed the remainder of the property. It was only in July 2003, when the Department found that the entire site had been cleared, that proceedings were initiated.

The failure of the EPBC Act is at least partly attributable to the fact that the Government has been playing politics with the process.

Finally, the lists of threatened species, threatened ecological communities and national heritage places have not been maintained appropriately. For example, the Minister has been unable to explain why no commercial fish species have been listed as threatened, despite overwhelming evidence that a number of species meet the listing criteria.

In the Act's first five years, the Minister listed only ten ecological communities, yet a report published by the Commonwealth in 2002 indicates that

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# Managing the Economy: A Political Scorecard

**The Institute recently published discussion paper 79, Who is Better at Managing the Australian Economy: Labor or the Coalition? The author, Professor Raja Junankar, summarises the argument.**

The Australian economy has enjoyed an unprecedented period of uninterrupted growth since 1992 and survived the Asian crisis of 1997, the stock market collapse of 1999, and the war in Iraq. Some politicians and journalists argue that this surprising good run for the Australian economy is because of the good economic policies of the Coalition Government that was elected in 1996 after a long period under a Labor government (1983-1996).

This paper attempts to assess the relative performance of the Australian Labor Party (ALP) and the Coalition Government in their management of the Australian macroeconomy. The paper focuses on the behaviour of the major macroeconomic variables: growth rate of gross domestic product (GDP), unemployment rate, inflation, real rate of interest, and the current account deficit (CAD).

A procedure we follow here is to assume that the Australian economy would have followed a path similar to some of the OECD economies. In particular, we use the method of “difference in differences”; that is, we compare the performance of the Australian economy with the US economy. Hence, if the Australian economy did relatively better

than the US economy during the term of office of (say) the ALP compared to the Coalition period then we could argue that the policies of the ALP led to the superior performance.

*Firstly* we compare the averages of the key macroeconomic variables for the period of the ALP with the period of the Coalition government. We also compare **changes** between the period when the new government takes office and follow it through until it is replaced or until the end of the current period.

*Secondly*, we compare the performance of the Australian economy compared to the US over the period of the Labor and Coalition governments. This allows us to control for any features of the world economy that may be driving all the economies.

To summarise, we need to answer the following questions:

- (a) Was there a significant difference between the two periods in terms of the behaviour of the economy?
- (b) If there were significant differences between the behaviour of the macroeconomy between the two periods, were these differences

*because* of the policies introduced by the two governments or were they due to some world-wide factors?

- (c) Did the ALP or the Coalition government do better in managing the economy?

In the table we summarise the results of the paper and make a crude comparison (that is, equally weighting each column) by simply looking for the number of times either the Coalition or Labor does better in the comparison made under different methods. As we can see, the results are hardly clear-cut: the Coalition and Labor governments do equally well if we simply average over the different indicators.

Curiously this simple comparison finds that Labor did better at inflation and the real rate of interest, while the Coalition is doing better at unemployment and the current account deficit. However, we favour the comparison with the US economy in column (5) where we see how the governments performed over the term of office. In this case the ALP outperformed the Coalition in its performance on growth, inflation and

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## A Summary Comparison

(1)	Comparison of Averages (2)	Change in Average over Term in Office (3)	Difference in Differences Compared to US (4)	Change in Difference (Aus-US) over Term in Office (5)	Labor vs Coalition (6)
<b>Difference in GDP Growth Rate</b>	No significant difference	Coalition	Not significantly different	Labor	Draw
<b>Difference in Inflation Rate</b>	Coalition	Labor	Coalition	Labor	Labor wins
<b>Difference in Real Rate of Interest</b>	Coalition	Labor	Coalition	Labor	Labor wins
<b>Difference in Unemployment Rate</b>	Coalition	Coalition	Not significantly different	Coalition	Coalition wins
<b>Difference in CAB/GDP</b>	No significant difference	Labor	Coalition	Coalition	Coalition wins

# Will Australians Ever Feel Prosperous?

**An Australia Institute study released in July found that only five per cent of millionaires in Australia regard themselves as prosperous. This figure rises to just 19 per cent among people worth in excess of \$3 million. Claire Barbato reports.**

Why is there such a reluctance among Australians to describe themselves as prosperous, a reluctance exhibited by even the wealthiest of people?

The Australia Institute paper *Why Australians Will Never Be Prosperous* explores people's attitudes to their financial situation in relation to their household income and wealth. It is based on data from the Household, Income and Labour Dynamics in Australia (HILDA) survey of over 12,000 people.

The study reports that only 1.6 per cent of Australians consider themselves to be prosperous.

Most people (52 per cent) are inclined to say they are reasonably comfortable. Another quarter report they are just getting along. A little under four per cent of people say they are poor or very poor.

When household income is taken into account, most people are still inclined to say their financial situation is reasonably comfortable. Among the highest income households – those earning more than \$100,000 per year –

52 per cent believe they are reasonably comfortable. This compares with 44 per cent in the lowest income group (less than \$25,000) who say they are reasonably comfortable and 47 per cent in the next lowest group (\$25,001-\$50,000).

Among very high-income households, those earning more than \$150,000 per year, only 11 per cent say they are prosperous. Again the biggest group say they are reasonably comfortable (42 per cent).

In some respects, wealth is a more enduring indicator of financial security than income. So, does the wealth of a household make a difference to whether people consider themselves poor or prosperous? Wealth is defined as net worth, that is, the assets of a household minus its debts.

Among the ten per cent of Australians who live in households with a net worth of \$1 million or more, only five per cent regard themselves as prosperous. A third (34 per cent) say they are very comfortable but again the

largest group (54 per cent) say they are reasonably comfortable.

Eight per cent of millionaires regard themselves as poor or just getting along.

A small proportion of Australians (just over one per cent) live in households that have a net worth of \$3 million or more. They are unambiguously millionaires. Just one in five admits to being prosperous. Remarkably, seven per cent consider that they are poor or just getting along.

Only 1.6 per cent of Australians consider themselves to be prosperous.

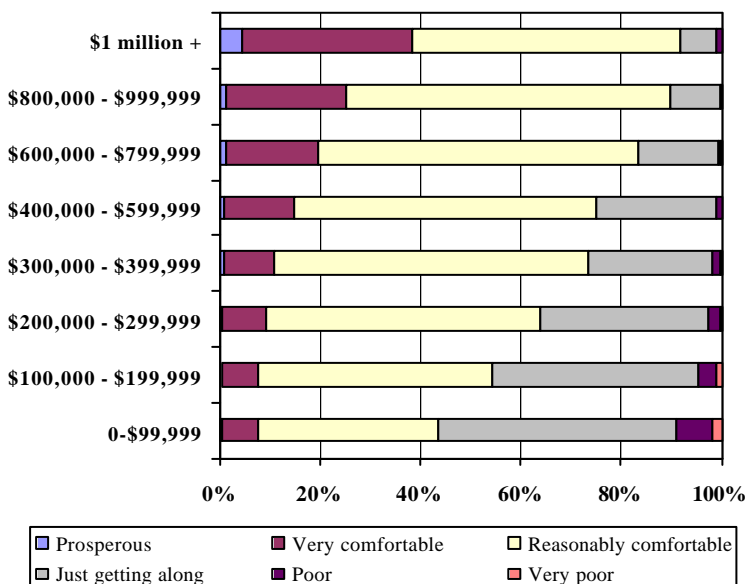
At the other end of the spectrum, of the one quarter of Australians who live in households with a net worth of less than \$100,000, nearly half (48 per cent) say they are just getting along which is twice the proportion of the general population.

So how satisfied are Australians with their financial situation if they are not feeling particularly prosperous?

The HILDA survey also asks respondents to assess their level of satisfaction with their financial situation on a scale of 0 to 10. Overall, the majority of people express some degree of satisfaction (68 per cent giving a rating of six or more).

However, it is clear that a person's household income is not a strong indicator of satisfaction with their financial situation. Among the lowest income group, nine per cent say they are totally satisfied with their financial situation, the same proportion as in the highest income group (over \$100,000).

## Attitudes to financial situation and household wealth (net worth)



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# Privatising Land in the Pacific

**The Institute recently publishing** *Privatising Land in the Pacific: A defence of customary tenures*, **discussion paper 80. The editor, Jim Fingleton, provides the background.**

The paper is a strong response to views expressed recently in *Issues Analysis*, the journal of the Centre for Independent Studies (CIS), and elsewhere about the need for land tenure reform in the Pacific. Professor Helen Hughes, a Senior Fellow at the CIS and long-standing critic of Australia's aid policy to Papua New Guinea and the Pacific generally, has advocated tying aid to the privatisation of customary tenures. In her view, customary land tenures must be abandoned and replaced by individual freeholds. Hughes is a member of the Foreign Affairs Council, which advises the Minister on Australia's aid policy.

The Australia Institute has done the region a great service by publishing a refutation of the 'push' to privatise land in the Pacific.

There is no more sensitive subject in Pacific Island politics than land. Not only is it the basis of their economies, but the ownership, use and management of land is central to the social fabric of Pacific communities and the wellbeing of the majority of their citizens who live in rural areas on their customary land. Any proposals for reforming customary tenures must be based on the facts and a good understanding of the issues.

In his Preface to the discussion paper, Clive Hamilton mentions 'the growing concern of a number of scholars about the influence of free market ideology on proposals to change land use and land ownership in the Pacific'. As a land tenure specialist who has advised governments in PNG, other Pacific countries, Asia and Africa for over 30 years, I was prompted to approach four other concerned practitioners to prepare a concerted response to these ill-informed and dangerous views.

The collection of six articles and the accompanying media release are readily

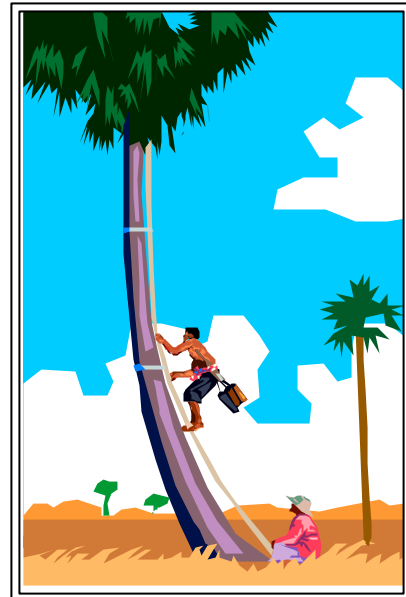
available to Institute members, so I will not dwell on them here. They dismiss the 'privatisation' push as unnecessary, undesirable and impossible to implement. Apart from myself, with a background in land policy and law reform, the other authors are:

- Dr Mike Bourke, an agricultural scientist;
- Professor Mark Mosko who is head of the Department of Anthropology in the Research School of Pacific and Asian Studies at the Australian National University;
- Chris Lightfoot, an economist and long-term adviser to Pacific Islands governments; and
- Dr R. J. Fisher, formerly the Deputy Director of the Regional Community Forestry Training Centre in Bangkok.

Between us, we have more than 130 years of practical research and experience in the Pacific. We demonstrate that Hughes misunderstands customary tenures, and is mistaken in her views that they are holding back economic and social development.

In the few weeks since the discussion paper was published, it is apparent that it arrived not a moment too soon. Australia's aid policies to PNG and the Pacific are under review, and an authoritative rejection of the 'privatisation' push will restore some balance to the land reform debate. A 'White Paper' on Australian aid is under preparation and Australia's aid agency, AusAID, is examining the growth options for the Pacific region and East Timor. There has been a high level of interest in the discussion paper from AusAID and other concerned officials. *The Canberra Times*, in its Opinion pages, ran an article I wrote under the heading 'Our Pacific aid policy must be based on facts'.

There has also been extensive coverage within the Pacific Islands. Long articles



have appeared in the two national dailies in PNG (*Post-Courier* and *The National*), in *The Daily Post* in Vanuatu and *The Solomon Star* in Solomon Islands. Radio Australia ran an interview with Clive Hamilton, and another in Pidgin English with one of the authors, Mike Bourke. Inter-Press Service published a long item in its Asia-Pacific network based on an interview with me. About 50 copies were distributed to libraries in the Pacific by the Land Management Group at ANU.

Any proposal for reforming customary tenure must be based on a good understanding of the issues.

Many individuals have contacted either the Institute or the individual authors to express their gratitude and relief that finally someone has responded to the erroneous statements and ill-conceived proposals emanating from Hughes and her supporters. Her views have received prominent coverage in the Australian and the Pacific media and The Australia Institute has done the region a great service in publishing this refutation through its highly-regarded discussion paper series. ■



# Happy Public Benevolence Day!

For several years now, the right-wing think tank, the Centre for Independent Studies (CIS), has invited Australians to celebrate Tax Freedom Day – the day on which ‘we finish paying for the Government’s spending and we start to work for ourselves’.

Day, ‘the average Australian effectively works for nothing ... because every cent earned up until then goes to the government’. The message is clear: taxation is a burden on our freedom that needs to be expunged (or at least radically reduced).

The three main issues associated with taxation are how much, who pays for it and where to spend it. Debate about these matters is vital, but the concept of the Tax Freedom Day is misleading and it trivialises the real issues associated with taxation.

Although there are several ways of calculating Tax Freedom Day, the method used by the CIS involves dividing per capita tax revenue by per capita Gross Domestic Product (GDP), and then multiplying that by the number of days in the year. For 2004/05, tax revenues constituted approximately 32 per cent of GDP, meaning it was equivalent to 118 days of output, giving us a Tax Freedom Day that fell on 29 April.

The message that money given to the government is money lost, fails to account for the fact that taxes pay for the public services that we all use.

To suggest that we ‘effectively work for nothing’ up until Tax Freedom Day is ridiculous for so many reasons. For starters, the combination of income inequality and progressive taxation means that Tax Freedom Day will fall much earlier in the year for the majority of Australians.

But the obvious flaws in the concept have not stopped right-wing think tanks and business groups from adopting it as their own (there are equivalents in a number of countries, including the United States, the United Kingdom, New Zealand and Canada).

So, in response, the Australia Institute is declaring 5th September 2005 to be Public Benevolence Day. This is the day on which we stop working solely for ourselves and begin to contribute to the public good by paying our taxes. After spending 247 days thinking about our own interests, from 5th September we will begin thinking about others.

Tax Freedom Day has been getting later and later each year as the tax share increases. The CIS wants us to believe this is necessarily a bad thing, notwithstanding the fact that, as the day has moved forward in the calendar, we have witnessed rising living standards, higher literacy and education rates and longer life expectancy.

Peter Saunders from the CIS has suggested that prior to Tax Freedom

More importantly, the message behind Tax Freedom Day, that money given to the government is money lost, fails to account for the fact that taxes pay for the public services that we all use.

Perhaps in this small way we can counter the insidious effect of libertarians who undermine public confidence in the tax system by suggesting that for 118 days of the year the product of our labour disappears into the black hole of government. ■

## *Homophobia from page 3*

homophobic and the Outer South & East the most. The study identifies the three most and three least homophobic areas of Australia. Overall the most homophobic areas are the Moreton area of country Queensland (excluding the Gold Coast and Sunshine Coast), Central/South-West Queensland and the Burnie/Western district of Tasmania where 50 per cent believe homosexuality is immoral. The least homophobic region is the Inner City of Melbourne (14 per cent), followed by Central Perth (21 per cent) and Central Melbourne (26 per cent).

Older Australians are considerably more homophobic than young adults. However, those in the 14 to 17 age group, especially boys, are much more inclined to hold anti-gay views than young and middle-aged adults. Homophobic attitudes are closely related to levels of education; 25 per cent of those with

tertiary education hold homophobic views compared with 40-50 per cent of those who did not complete high school.

Among those who declare a religious affiliation, Catholics are the *most* tolerant in Australia, with 34 per cent believing that homosexuality is immoral (although those affiliated with the Anglican and Uniting Churches have similar scores). The least tolerant are Baptists (of whom 68 per cent believe homosexuality is immoral) followed closely by evangelical Christians (62 per cent). These counter-intuitive findings suggest that the Catholic Church has less doctrinal authority over its congregation than some other Christian and non-Christian churches and that Catholics have become adept at interweaving their own moral instincts with the various proscriptions of their church. ■

## **The Australia Institute**

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

If you would like to become a member of the Institute

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*Managing the Economy from page 6*

the real interest rate, while the Coalition was better on unemployment and the CAD.

The paper tries to measure how the Australian economy has developed since 1983 under the ALP and Coalition governments. We argued that it was difficult to assess whether one government was more or less successful in managing the Australian economy as it was difficult to ascertain how the economy would have behaved under an alternative government. Since it was difficult to decide what the counterfactual was, we used a method called the “difference in differences” method that compares the Australian economy with an alternative OECD economy (we used the US as our example).

What we found was that if we simply compared the means of the various macroeconomic indicators for the two periods of the ALP and Coalition governments, it appeared that the

performance of the economy was generally better in the second period. However, when we compared the *changes* of these macroeconomic indicators over the tenure of each of these governments, we found that the Coalition performed better for growth rate and unemployment, while the ALP performed better on inflation and the real rate of interest.

When we used the difference in differences method (comparing with the US) we found that the means of the macroeconomic indicators were generally better for the Coalition. However, when we used this method to compare changes over the tenure of office we found that the ALP did better on growth, inflation and the real rate of interest.

The Coalition had a better record on unemployment and the current account balance. Using a simple comparison that treated each method as equally weighted, overall we found that the two governments achieved a draw on

growth, the ALP did better on inflation and the real interest rate while the Coalition did better on unemployment and the CAD.

Earlier in this paper we mentioned that since the ALP came into office in the middle of a recession and had to cope with another recession in the early nineties, it had a much more difficult task in managing the economy. The Coalition government came into power when the economy was growing rapidly and it also benefited from all the structural changes introduced by the ALP (e.g. trade liberalisation, increased expenditures on education, deregulation of the economy etc). Hence, if the growth rate under the Coalition has been higher than under the ALP this does not mean that Coalition policies are necessarily responsible.

The paper ends on a note of caution: it is very difficult to assign the movements in the Australian economy to the particular policies introduced by any government. ■

## Just Not Cricket

***The proposal to list Sir Donald Bradman’s birthplace on the National Heritage List was accompanied by some political shenanigans. Deb Wilkinson investigates.***

In January 2004, the Federal Government launched a new heritage regime that fundamentally changed the nature of the Commonwealth’s involvement in heritage issues. The centrepiece of the new regime is the National Heritage List (NHL) which is intended to include places that are of outstanding heritage significance to the nation. While nominations for listing are assessed by the Australian Heritage Council (AHC), it is the Minister who is responsible for deciding which places are included on the NHL.

In recent times, questions have been raised about the Federal Government’s administration of the new heritage regime. For example, John Mulvaney, a former member of the Australian Heritage Commission – the predecessor to the AHC – has suggested the NHL has become a ‘political plaything.’ The way in which the Federal Government dealt with the nomination to include

Sir Donald Bradman’s birthplace on the NHL and its subsequent decisions to distribute funding to Bradman-related heritage projects is a clear case in point.

There is clear evidence of impropriety in relation to the decisions concerning both projects.

Bradman’s birthplace is a small cottage at 89 Adams Street, Cootamundra, New South Wales. The front room of the cottage was previously used as a private hospital and it was there that Sir Donald Bradman was born.

The cottage was nominated for inclusion on the NHL on 19 April 2004. According to Ministerial documents, the AHC sent their assessment of the

heritage values of Bradman’s birthplace to the Minister on 5 September 2004. From there, the Minister was required by law to make the listing decision within 20 business days, meaning the decision should have been made before the federal election on 9 October 2004. However, the decision wasn’t made until after the election.

Controversially for cricket-loving Australians and the Cootamundra community, on 16 October 2004, the Minister decided not to include Bradman’s birthplace on the NHL. Although the decision appeared strange to some, the Minister had little choice but to reject the nomination due to the listing criteria.

The decision not to include Bradman’s birthplace on the NHL incensed a lot of people, including the Cootamundra Shire Council. Indeed, the General Manager of the Cootamundra Shire Council was so outraged by the decision



Bradman-related heritage projects under the *Sharing Australia's Stories* program: the Don Bradman Heritage Trail and the Australian Cricket Captains' Walk. The projects were two of only four to receive the maximum amount of \$50,000 under the program's first round of grants and both projects involved Cootamundra Shire Council, one of the main critics of the Minister's decision not to include Bradman's birthplace on the NHL.

application may not have been lodged at all and that the grant was 'arranged' by the National's Member for Riverina, the Hon. Kay Hull MP.

In an obvious attempt at obfuscation, the Minister responded to our report by claiming that it was discredited because the date on which he received the assessment was incorrectly reported. This is despite the fact that his own statement of reasons for the listing decision asserts that he received the AHC's assessment on 5 September, a date which he later changed to 29 October, and then only a few hours later to 5 October. In other words, it took the Minister three goes to decide on his preferred date.

that he declared, '(l)et them try to tell the people of Bethlehem that Christ's birthplace was unimportant'.

In our web paper on the nomination of Bradman's birthplace, we concluded that the most likely reason for the Minister delaying his decision to reject Bradman's birthplace was because he did not want to attract negative publicity during the election campaign. This conclusion was based on circumstantial evidence and subsequent events involving the inappropriate decision to grant \$100,000 to two Bradman related projects.

There is clear evidence of impropriety in relation to the decisions concerning both projects.

The minutes of the Cootamundra Shire Council suggest that the funding application for the Don Bradman Heritage Trail project was not lodged until at least seven and a half months after the applications for funding under the *Sharing Australia's Stories* program had closed. Further, the Minister admitted that the project was devised by his department following his decision not to list the place.

Interestingly, the Federal Government has not provided a coherent explanation about why the funding was allocated to the Don Bradman Heritage Trail and the Australian Cricket Captains' Walk under the *Sharing Australia's Stories* program. The Minister merely said the *Sharing Australia's Stories* program was an 'appropriate source of funding' and Mrs Kay Hull said that 'the funding [for the Australian Cricket Captains' Walk] is just one of many grants she has been able to give.' We have asked the Commonwealth Auditor-General to investigate the Minister's administration of the federal heritage regime. ■

In July 2005, following considerable negative publicity and several meetings with the Cootamundra Shire Council about the listing decision, the Federal Government provided \$100,000 for two

The allocation of funding for the Australian Cricket Captains' Walk project may be even more questionable. Despite being the recipient of the grant, Cootamundra Shire Council did not make a funding application for the project. Indeed, it appears that a funding

*The EPBC Act from page 5*

there are currently around 2,800 threatened terrestrial ecosystems and ecological communities in Australia. Similar failures are evident in relation to the lists of national heritage places.

it has led to some environmental improvements and that it is far superior to its predecessor.

A central claim of Mr McGrath's argument appears to be that improved transparency and administrative arrangements and victories in court cases equate with improved environmental outcomes. We disagree. Court cases can serve a number of purposes and, on occasions, they have led to environmental improvements.

outcomes and the magnitude of Australia's environmental problems, it is difficult to avoid the conclusion that it has not generated any significant environmental improvements and that it has wasted a large amount of money, time and effort.

Response to the discussion paper has been interesting to say the least. Multiple copies have been ordered by various Commonwealth and state government departments. Environmental law lecturers have also set the discussion paper for class reading and debate.

However, to date, only one case taken under the EPBC Act has generated any positive environmental outcomes. Similarly, the Act does contain a number of positive elements in relation to transparency, but these provisions have generated few, if any, environmental improvements.

Debate on the achievements of the EPBC Act are likely to continue with various sources suggesting that the Government is planning to take advantage of its Senate majority to water down the legislation further. Sadly, a federal environment protection regime that achieves even less could well be just around the corner. ■

Apart from the Minister's feedback, the most critical response so far has been from Chris McGrath, an environmental lawyer from Queensland who has acted on behalf of a number of environment non-government organisations in several EPBC cases. He says that our criticisms of the Act are too harsh, that

Overall, we believe that when the cost of the regime is weighed against its

Interested readers can access Chris McGrath's feedback as well as our response to him by going to 'What's New' on the website, [www.tai.org.au](http://www.tai.org.au).

# Institute notes

## New Publications

- A. Macintosh and D. Wilkinson, *Playing Politics with the Federal Heritage Regime*, Web Paper, August 2005.
- C. Hamilton and M. Flood, *Mapping Homophobia in Australia*, Web Paper, July 2005.
- Greenhouse Implications of the Proposed Sydney Desalination Plant*, Web Paper, July 2005.
- A. Macintosh and D. Wilkinson, *Environment Protection and Biodiversity Conservation Act: A Five-Year Assessment*, Discussion Paper 81, July 2005.
- C. Hamilton and C. Barbato, *Why Australians will Never be Prosperous*, Web Paper, July 2005.
- J. Fingleton, ed. *Privatising Land in the Pacific: A Defence of Customary Tenures*, Discussion Paper 80, June 2005.
- P. N. Junankar, *Who is Better at Managing the Australian Economy: Labor or the Coalition?* Discussion Paper 79, June 2005.
- C. Hamilton and R. Denniss, *Affluenza*, Allen & Unwin, June 2005.
- C. Hamilton and C. Barbato, *How Big Should Canberra Be?* Web Paper, May 2005.
- R. Denniss, *The Attitudes of Young People to the Environment*, Web Paper, May 2005.

## Forthcoming Publications

- \* Drug law reform
- \* Biases in heritage listing
- \* Border tax adjustments for greenhouse taxes
- \* A profile of 4WD drivers

The Australia Institute was very sad to say goodbye to its Deputy Director, Richard Denniss, in mid July. All the best to you Richard and good luck with your new position.

Deb Wilkinson, Andrew Macintosh and Emma Rush have all recently begun work at the Institute as Research Fellows.

*Will Australians Ever Feel Prosperous?* from page 7

Wealth does make a difference when people are asked to rate their financial satisfaction. While only five per cent of those with net worth under \$200,000 say they are totally satisfied, this rises to 14 per cent for those with net worth in excess of \$800,000.

Governments frequently declare that their objective is to create a prosperous

Australia but any objective assessment would surely conclude that most Australians are already prosperous. However, the results reported in this paper indicate that few Australians *feel* prosperous.

On the release of the report Institute Executive Director Clive Hamilton observed: 'the Government says it

wants a prosperous nation, but as long as success is measured by money Australians will always feel deprived'.

*The report Why Australians Will Never Be Prosperous can be read under 'What's New' on the Australia Institute's website, [www.tai.org.au](http://www.tai.org.au).* ■



From Sean Leahy's [Beyond The Blackstump](http://www.beyondtheblackstump.com) cartoons.