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## All I want for Christmas ...

**An Australia Institute survey in October revealed that, for one reason or another, many Australian workers find it hard to take the annual leave they need to lead healthy, balanced lives — even during the festive season. As this year draws to a close, the Institute's Director of Research David Baker urges Australians to take their leave and enjoy some well-earned time with their communities, family and friends.**

Are you taking a break this Christmas? Having a summer holiday? Or will you be back at work when the Sydney to Hobart yachts set sail on Boxing Day? Although many Australians are entitled to four weeks' annual leave many will find it difficult to access leave this holiday season.

**A**t the time of writing, a campaign by retailers before Fair Work Australia is arguing for a reduction in penalty rates.

The Australia Institute first identified this as an issue in 2003, finding 57 per cent of full-time employees did not take their full four weeks of annual leave. The Centre for Work + Life reported similar findings in 2009. The inability or reluctance of Australians to take annual leave has become so entrenched that Tourism Australia has used it as a marketing opportunity. The 'No Leave, No Life' campaign of the same year highlighted that there was a 123 million-day stockpile of annual leave in Australia and urged Australians to 'win the work/life battle with an Aussie holiday'. The situation does not appear to have changed in 2012.

Almost four out of ten Australians in paid work surveyed by The Australia Institute in October reported that they

were not taking leave this Christmas period. This means around 4.5 million Australians will be working through the summer break. This includes one in ten people who will be working on Christmas Day and 16 per cent who will be working on either Boxing Day or New Year's Day. The number of people who will be working all three public holidays was 910,000.

And if you are working public holidays you are less likely to receive extra pay as compensation for doing so, according to the Australian Council of Trade Unions (ACTU). The ACTU says that fewer full-time workers are receiving penalty rates for working public holidays, because they work non-standard shifts. At the time of writing, a campaign by retailers before Fair Work Australia is arguing for a reduction in penalty rates.

**O**ne in five workers reported they were uncomfortable discussing issues such as work/life balance and even job security in their workplace.

Among the survey respondents, 18 per cent of people in paid work were undecided about the leave they were intending to take over summer. Interestingly, the same proportion of

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## Merry Christmas from The Australia Institute

The Australia Institute would like to wish all its members and supporters a very happy Christmas and enjoyable New Year. Many thanks to all of those who have assisted us during 2012, both financially and in other ways, to conduct 'research that matters' and achieve positive outcomes for a fairer Australia.

The Australia Institute office will close on Friday 21 December 2012 and re-open on Monday 7 January 2013. We look forward to being a strong progressive voice on your behalf in 2013.



*All I want for Christmas .... from page 1*

people said that they could not tell if their manager would be agreeable to them taking leave, or reported that their manager would not agree to a request for a few days off. One in five workers reported they were uncomfortable discussing issues such as work/life balance and even job security in their workplace. People working in medium size organisations find it most difficult.

Full-time workers are more likely not to take leave this Christmas, with almost half (48 per cent) indicating that they were not going to take leave; many more than the three in ten part-time workers who said they were not going to take leave.

Full-time workers are, possibly as a result of not taking leave, most likely to be working on one or more of the three public holidays over the

Christmas period. They are almost three times as likely as either part-time or casual employees to have to work on Christmas Day. The balance returns a little on Boxing Day and New Year's Day with twice as many part-timers and casuals reporting that they will be working on one or both of these two public holidays.

**H**olidays give us time to restore our physical health and our personal relationships.

Although most workers surveyed by the Institute reported having a reasonable amount of say over when they take their leave — one reason for having accumulated leave was that respondents were saving it to use later — 12 per cent of people who did not

use all their leave said it was because they could not get the time off that suited them.

Holidays play an important role in the health of communities and relationships as well as the health of our bodies. They not only give us time to restore our physical health and our personal relationships, but they give us the opportunity to think about the lives we want as well as the lives we have.

It is not surprising, therefore, that few people return from a nice long summer holiday with a new found commitment to spend more time at work, less time with their friends and family and a determination to do less exercise.

We hope you get to enjoy some free time over this festive season. §

# The clash between coal and conservation

**Bimblebox Nature Refuge in central western Queensland has risen to nationwide attention thanks to a campaign to halt what could become Australia's largest coal province. As Paola Cassoni, a co-owner of the refuge, explains, a dedicated group of eco-volunteers is working hard to defend privately-held conservation areas from mining.**

Who had heard of Bimblebox Nature Refuge before it clashed with the whims of an ebullient billionaire? For the first seven years of its existence this refuge was quiet and mostly unknown; a peaceful infancy soon shattered.

**E**conomic growth has taken its toll on our ever-shrinking natural heritage.

We know that landholders have absolutely no choice when mining moves in, yet many still don't know that Nature Refuges (NRs) can also be mined. Founding NRs allowed our governments to front the international community and pretend that Australia was doing well in protecting threatened species.

Economic growth has taken its toll on our ever-shrinking natural heritage. NRs were established in Queensland as key instruments to counter the decline in species, but a critical flaw left their tenure vulnerable to mining. They are exposed to the very fate most would expect they were designed to avoid — industrial exploitation. In the case of Bimblebox, the threat comes from the very industry that is the major driver of global warming, not to mention an enormous threat to our Australian ecology.

In their eager support for the mining industry, federal and state ministers have used the catch phrase 'we need to strike a balance' between development and environment and play the make-believe game of 'offsets'. Australia's ecological balance has been in the red for many decades and the aptly named offsets do just that. They conveniently 'set' the need for redress 'off' to another time and place.

Remnant vegetation is so-called for good reason: it is *all that remains*. So when protected areas are destroyed, that's it. They're gone — it's a net loss. Slick cartography and fancy language do no more than offset our guilt for cheating on biodiversity.

Our society functions not only because many work for hard cash but also thanks to those who voluntarily care for their fellow humans and our

environment. They work for Meals on Wheels; spend their evenings counselling at Lifeline, sorting clothes in charity shops, reading books to dyslexics in schools, and stirring the pots in hot soup kitchens. They are the people who keep their hearts, and often their houses, open to the homeless, to street kids, day after day, year after year.

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The Galilee Basin is the name of the underground geological formation that lies to the west of the Bowen Basin where Queensland's existing large coal mines are located. The 'China First' (also recently known as 'Galilee Coal') mine threatening Bimblebox Nature Refuge is one of several 'mega' mines proposed for the Galilee Basin.

In 2011, The Australia Institute made a submission to the Department of Employment, Economic Development and Innovation (DEEDI), highlighting the economic impacts of the China First mine that its proponents have sought to downplay.

According to the economic impact statement commissioned by Waratah Coal to help make the case for the mine, the consequences of the mine's approval for the broader economy mean that:

- 3,000 jobs will be lost primarily across Queensland, particularly in manufacturing, agriculture and tourism
- \$1.2 billion of manufacturing activity will be lost
- Inflation will rise
- Small and medium sized businesses will be hit with higher bills for payroll and rent, resulting in some of them shutting down
- Housing affordability will decline for those who are not employed in the new mine
- Wealth will become less evenly distributed, with most of the benefits accruing to those employed in the China First mine.

Far from being a 'shot in the arm' for Queensland as the then Premier Anna Bligh put it when the deal was announced, this mine has the potential not only to significantly harm the surrounding environment but also other parts of the state's economy.

*A copy of An analysis of the economic impacts of the China First Mine is available to download from [www.tai.org.au](http://www.tai.org.au)*



Similarly, Landcare volunteers weed in national parks on weekends and pick up cans, bits of plastic and nets on the beach. Others stitch up and nurse back to health wounded koalas. Likewise, caring property managers de-stock a paddock that could have been extra fodder for their cattle in order to benefit the wildlife instead. They control invasive weeds and work to counter destructive grazing and farming practices. They buy a bush block to keep it safe from clearing — this was the beginning of Bimblebox.

**S**lick cartography and fancy language do no more than offset our guilt for cheating on biodiversity.

Signatories to NRs and other conservation covenants commit themselves to minimal land use, but

they also do much more to protect and enhance the welfare of local ecosystems. They give countless hours to maintain much-needed habitats. NR work is not as simple as fencing and forgetting. A small army of helpers would be needed to control both the feral animals that decimate our wildlife and the weeds that choke native grasses, and to assist with firebreaks to protect against devastating bushfires.

At Bimblebox we already had our hands full — but for five years now we have also had to contend with the on-going threat of a huge coal mine. During the thousands of hours we have spent lobbying to save what was supposed to be protected forever, we have seen the dark side of our democracy. Any landowner unwilling to relinquish their life's investment is confronted with double-speak and alienated by political games.

The dedicated work of eco-volunteers comes at a very low cost to the taxpayer. They significantly improve our society with their work, driven by an altruistic passion rather than economic self-interest. They want to be recognised for their valuable contribution to this country and, logically enough, they want NRs and other conservation areas to be provided with secure land tenure, so that all their work is not in vain.

**F**or five years we have had to contend with the on-going threat of a huge coal mine.

*For more information on Bimblebox Nature Refuge or to view the Bimblebox documentary go to [www.bimblebox.org](http://www.bimblebox.org)*



Bimblebox Nature Refuge: outer edge of heathland

# Beating around the bush

**Queensland is experiencing a rapid expansion in new resource projects, which are changing the fundamentals of the state's economy. As Matt Grudnoff explains, the state faces the real prospect of a less diversified economy, reliant on the ups and downs of the world commodity cycle.**

In condemning the potential impact of putting a price on carbon, Senator Barnaby Joyce recently declared: "This tax has the potential to put our dairy production, our beef cattle production, our sheep meat production, out of business." Queensland's LNP state government has expressed similar concerns that the carbon price will take money out of farmers' pockets.

But for all of their apparent concern, Queensland's conservative politicians have been strangely silent about the devastating impact of the mining boom and its partner-in-crime, the high exchange rate, on the income of farmers.

**T**he longer the dollar remains high, the more money our farmers will lose.

While the carbon price was talked up by the LNP as having the potential to destroy the agriculture industry, in reality it has had a limited impact on Australian farmers. The high exchange rate, on the other hand, has made many Australian agricultural exports uncompetitive and forced farmers selling into the world market to accept lower prices.

The exchange rate is at historically high levels. The mining boom, and the foreign capital pouring in to fund its expansion, has been the main fuel feeding excessive demand for the Australian dollar. The high — by world standards — interest rates maintained by the Reserve Bank of Australia to restrain the growth of the non-mining sectors have pushed the dollar higher still.

While the high dollar might be good news for Australians going on European holidays and importing products from overseas websites, it

represents significant losses for most of our exporters. Most agricultural exporters sell their product into a world market where they have no capacity to affect the world price. Under such circumstances a higher exchange rate simply means that farmers receive fewer Australian dollars for every \$US they get for their product.

Research by The Australia Institute shows that in 2010-11 the rural sector lost almost \$15 billion because of the high exchange rate compared to the income it would receive if the Australian dollar were at its historic average of \$US0.70.

That \$15 billion loss represents a drop of 41 per cent in farmers' export earnings. By comparison, the carbon price is only expected to collect a total of \$7.7 billion this year from all industries. The longer the dollar remains high, the more money our farmers will lose.

Premier 'we're in the coal business' Newman seems completely unaware, or entirely unconcerned, that his wholehearted support for the mining industry is coming at such a big cost to other industries.

The beef and sugar industries have been particularly hard hit by the high dollar. The beef and veal industry has lost \$6.2 billion of export earnings over the first eight years of the boom, while the sugar industry has lost around \$1.8 billion over the same period. Tourism and manufacturing are also suffering.

When it comes to the relative impact of the carbon tax and the high exchange rate the carbon price seems more like a mosquito bite than a cobra strike or python squeeze. The mining boom and its high exchange rate, on the other hand, is the elephant in the room.

All industries are important to a modern diversified economy. Ignoring



some in favour of one destroys the resilience of the Queensland economy. When the mining boom comes to an end, which industries will be left to employ Queenslanders and grow the economy?

**W**hen the mining boom ends, which industries will be left?

The LNP needs to better manage the mining boom. The boom has been allowed to expand with little consideration for the collateral damage it causes to other sectors of the economy. There needs to be a stronger focus on the boom's full effects rather than a reliance on the simple belief that unrestrained growth in the mining industry is in Queensland's best interest.

*Beating around the bush: The Impact of the mining boom on rural exports is available to download from [www.tai.org.au](http://www.tai.org.au)*



# Income and wealth distribution in Australia

**Recent figures show that income and wealth distribution in Australia are skewed more heavily in favour of the richest 10 per cent than ever before, and that entrenched earning inequality for women is being exacerbated through the superannuation system. David Richardson warns us where we are heading.**

In the 1960s the CEOs of major US companies earned around ten times the income of low paid workers in their firms. Today that figure has blown out to 300 times. While similar data is not available in Australia a range of data suggests that income and wealth is becoming less evenly distributed.

In 2009-10 in Australia the average taxable income of individuals reported to the tax office was \$46,646. By contrast the top one per cent of income earners earns an average taxable income of \$499,300. The top one per cent of income earners earn 10.4 per cent of all personal income in Australia.

Those figures are skewed towards men, as might be expected—of the top 1 per cent of income earners, just 21 per cent are women. (Presumably that would be Gina Rinehart and 19,289 other women.) Moving down the list to the top 20 per cent of income earners, still only 28 per cent are women. Of the top 40 per cent, only 34 per cent are women. Yet women made up 45 per cent of all individuals who reported an income to the Australian Taxation Office.

ABS figures show that in 2009-10 the ratio of the top 10 per cent and the bottom 10 per cent of households was 4.21. This figure is higher than the comparable figure of 3.78 in 1994-95, suggesting Australia has witnessed some of the increasing inequality seen in the rest of the world.

**T**he top 1% of wealth holders own 16% of all the wealth in Australia.

Nicholas Biddle from the ANU makes the point that income distribution is much more unequal in the US, where the ratio of the income of top and



bottom 10 per cent of earners was 11.5. This may give us a hint of where Australia is heading.

Income inequality in Australia is moderated to some extent by the Australian welfare system despite the inadequacy of income support for many groups. For people in the workforce the Australian minimum wage is \$15.96 per hour, which is 2.3 times higher than the US minimum wage.

While the distribution of income in Australia is bad enough, the distribution of wealth is much worse. For example, while the ratio of the top and bottom 10 per cent of income earners is 4.21, the ratio of the top and bottom 20 per cent of wealth holdings is 59.6. This reflects the fact that the bottom 20 per cent of households have very little wealth but the top 20 per cent has an average net worth of \$1.47 million. Just the top one per cent of wealth holders own 16 per cent of all the wealth in Australia.

The gender gap in income is reflected and magnified by superannuation contributions. The ABS figures show that women have much lower superannuation balances relative to men. For people with superannuation

in the accumulation phase — those still in work — women had an average super balance of \$52,272 with a median value of \$18,489. By contrast, men's balances averaged \$87,589 with a median value of \$31,252. On these figures, men's balances are on average 68 per cent higher than those of women.

**O**f employees receiving less than \$40 per week in employer contributions, 61% were women.

According to the ABS, of those employees receiving less than \$40 a week employer super contributions, 61 per cent were women; conversely, of those who received superannuation contributions of more than \$100 a week, only 34 per cent were women.

A growing proportion of income in Australia is accruing to the top one per cent of the population and, through the design of the superannuation system, this is leading to a growing proportion of wealth also accruing to those who already have the most, the vast majority of whom are not women. §

# 10<sup>th</sup> Henry Parkes Oration

**In this edited extract of his recent Henry Parkes Oration, Professor George Williams examines how the current Constitution entrenches inequality, why holding a referendum has become political poison, and what we can do to effect constitutional reform.**

As a constitutional lawyer I owe a large debt to the work of Henry Parkes, who kick-started the process of drafting the Australian Constitution and is often remembered as the 'Father of the Federation'. Among his other achievements were democratic and social reforms such as the introduction of universal male suffrage and free secular education for children.

**T**he Australian Constitution has faded into the background of public debate.

Parkes was an extremely successful reformer, recognising that longer term goals such as equality and justice demand a continuing commitment to democratic and constitutional reform, and that these can be realised when backed by a vision, sound political judgement, persistence and a willingness to convince the community of the need for change.

We can still learn from Parkes today, particularly when it comes to constitutional change. Though it ought to be a document that fosters our national aspirations, the Australian Constitution has faded into the background of public debate. As a result, it reflects popular values and understandings of government that made sense in the 1890s but not now — including the idea that governments should discriminate between people on the basis of their race.

## The Constitution

At first blush, the Constitution is a dry and boring document. It is hard to read and often obscure, and much of it is now seemingly irrelevant. It would seem to have little to do with current questions of current public policy, such as how to fix the Murray Darling Basin, or matters of social justice and human rights or how to provide everyone in

the community with access to first-rate schools and hospitals. But we must look beyond the dry words to understand how the Constitution continues to shape our capacity to realise these goals.

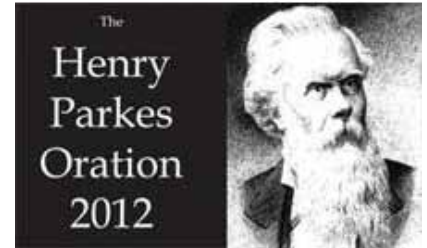
The Constitution establishes lines of power in our society, as well as relationships and the legitimacy of people and organisations and provides recognition of groups and national aspirations. It has a profound, but rarely noticed, impact on the nation and community well-being. Unfortunately, today's 24-hour news cycle does not lend itself well to the recording and explaining of things that produce changes over the course of years and decades, even those of great importance.

## Constitutional change

Parkes recognised the link between constitutional reform and politics. He understood that structures of government and democratic processes are fundamental to achieving social justice. This is reflected in the Constitution — even though it was enacted by the British Parliament, it embodied the egalitarian notion that it should only be altered by the Australian people. Not by their representatives in Parliament, but by the people directly — any change to its text is to be approved by referendum.

**T**oday's 24-hour news cycle does not lend itself well to the explaining of things that produce changes over the course of years and decades.

Unfortunately politicians have found this hurdle almost impossible to surmount. Only eight out of 44 referendums have succeeded. Disturbingly, change has become less



likely to be achieved over the years, with no referendum passing since 1977 — by far the longest period that Australia has gone without amending the document. It seems that as the necessity of changing the Constitution increases, so does our inability to bring this about.

Our politicians seek to avoid the topic whenever they can. Australia has not held a referendum since 1999, when the people voted No to becoming a republic and inserting a new preamble in the Constitution. This made the first ten years of the 21st century the first decade in Australian history in which no referendum was held.

It looked like this drought might be broken when the Gillard government was cornered into promising referendums in 2013 on recognising Aboriginal Australians and local government in the Constitution, in exchange for the support of the Greens and the independents.

Since then most Australians remain unaware even that referendums have been proposed for next year. Not surprisingly, the Aboriginal recognition referendum has been postponed and the prospects of holding a referendum on recognising local government are looking shaky.

All this serves to reinforce a cycle where referendums considered 'mission impossible', are unlikely to be held and are less likely to succeed. This has come at a cost to social justice, as the following examples show.

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## Federalism

When it comes to federalism, the problem is not that we have a federal system, but that the one we have is broken because it is designed for the needs of 1901 rather than 2012. In the 1890s, it was thought that the new nation would best be served by six strong State governments and a weak central Commonwealth, and the Constitution reflected this.

This vision has since unravelled and the result today is a federal system that distorts priorities and policy outcomes. Matters such as service delivery are often determined not by which tier of government can do the best job, but who has managed to raise the funds to take control. It is often just a matter of good fortune if the two happen to coincide.

Recognition of the problem is bipartisan, as is the failure to champion a solution. By neglecting to hold a referendum, governments have seemingly given up on any prospect of holistic federal reform. But the text of the Constitution continues to shape Australia's system of government in inescapable ways.

At a basic level, the Constitution establishes a set of binding rules for

Australia's federal system that have an impact upon federal-state relations in almost every contemporary policy area, including health, the environment, education, Indigenous disadvantage, taxation, business regulation and water policy.

The problems besetting the Murray Darling Basin have been shaped by the Constitution, affecting everything from the chances of achieving a national solution for the basin, through to the environmental, social and economic factors that may be taken into account in a new Murray Darling Basin plan. The Constitution's division of legislative and other responsibilities between the Commonwealth and the states has made a desirable national approach difficult to achieve.

A recent study found that problems with our federal system mean that Australian families pay an unnecessary \$1,100 in tax each year — the amount being used to prop up the Australian federal system. It is how much we pay for the duplication of services, buck-passing and inefficiency that bedevils the relationship between our federal and state governments. If even some of this money could be clawed back it could be directed to things like improved funding for education and a national disability insurance scheme.

Our dysfunctional federal system affects the quality of government services, including health and education provision, and our capacity to meet the needs of the most vulnerable. If you care about Australia's schools and hospitals, you also need to care about the poor state of our federal system of government.

## Aboriginal peoples

Aboriginal peoples have long sought recognition in Australia's constitutions, because these documents have either ignored their existence or permitted discrimination against them. Parkes himself was not silent about the injustice being done to Aboriginal peoples, but his sympathy ran largely against the grain of his time.

The Australian Constitution was drafted to deny Aboriginal people their rights, their voice and even their identity, against a backdrop of racism that led to the White Australia policy and a range of other discriminatory laws and practices. This was reflected in the terms of Australia's 1901 Constitution, which contained such provisions as Section 25, which recognised that the states could disqualify people from voting in elections on account of their race; Section 127, which excluded aboriginal people from the Census; and Section 51(xxvi), the racist 'races power'.

**T**he problem is not that we have a federal system, but that the one we have is broken.

It is not surprising that legislation enacted by the Commonwealth Parliament has been based on racially discriminatory policies such as the White Australia policy, the denial of the vote in federal elections to Aboriginal people and the suspension of the *Racial Discrimination Act 1975* (Cth) in order to facilitate the 'bucketloads of extinguishment' of native title in 1998 and the Northern Territory intervention in 2007.

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In 1967, a referendum proposal was put before the Australian people under which the words 'other than the aboriginal race in any State' in Section 51(xxvi) would be struck out and Section 127 deleted entirely. The people overwhelming voted 'Yes'. The proposal was supported in every State and nationally by 90 per cent of Australians.

The 1967 referendum was an important turning point in the place of Aboriginal people within the Australian legal system, but while the referendum deleted the discriminatory Section 127, it did not insert anything in its place. Nor did it remove the recognition of state race-based voting.

The change left the Constitution, including the preamble, devoid of any reference to Indigenous peoples. In addition, while the objective of the 1967 referendum was to remove discriminatory references to Aboriginal people from the Constitution and to allow the Commonwealth to take over responsibility for their welfare, it may be that the failure to write this explicitly into the Constitution actually laid the seeds for the Commonwealth to pass laws that impose a disadvantage upon them.

This is because the racially discriminatory underpinnings of Section 51(xxvi) were extended to Aboriginal people, but without any textual indication that the power could be applied only for their benefit. This problem was raised in the High Court the *Hindmarsh Island Bridge Case* in 1998. The Commonwealth argued that there are no limits to the races power: that is, provided that the law affixes a consequence based upon race, it is not for the High Court to examine the positive or negative impact of the law.

In this case the Court remained undecided on the scope of the races power, leaving open the possibility that the Commonwealth still possesses the power to enact racially discriminatory laws. The fact that concepts of racial discrimination remain embedded in our Constitution has again produced a movement for constitutional change.

While a referendum on this issue has been put off for some years, grassroots activism for change continues to build.

## Changing the Constitution

Australia's poor referendum record reflects the fact that our political leaders follow the same flawed path each time. Given the right proposal, chances are the Australian people will vote Yes. Australia has never put in place the long-term machinery to identify and refine the right proposals for reform, and to build popular support for change. Instead, referendums tend to emerge somewhat randomly out of the hurly-burly of daily politics and, not surprisingly, then founder.

Putting referendums on a stronger foundation could start by simply updating the rules establishing how referendums are run. These have changed little since 1912, a time when voting was not compulsory, Australia's population was far smaller and far less diverse and the print media and public speeches were the dominant modes of communication. The system is showing its age.

Modernising the referendum process means abolishing restrictions on expenditure by the Commonwealth Government; rethinking the official referendum pamphlet showing the proposed amendment and offering the arguments for and against; and continuing the Yes and No committees from the 1999 referendum. These are all yet-to-be-implemented recommendations the House of Representatives Standing Committee on Legal and Constitutional Affairs made in 2009.

Taxpayers' money is being wasted on poorly conceived proposals. We should invest funds earlier in the process to generate better ideas more likely to attract popular support. Just as we have bodies like the Productivity Commission to help identify economic reforms, we need such institutions for constitutional reform.

Australia should adopt a system whereby a small, ongoing review

Commission generates proposals for reform, consults with the public on draft proposals and recommends them to Parliament. This would then feed into a regular, popular Constitutional Convention, convened once each decade or 'half-generation', which would debate reform ideas.

**R**eferendums tend to emerge somewhat randomly out of the hurly-burly of daily politics.

In addition a referendum would be based upon the principles distilled from Australia's long referendum record of bipartisanship, popular ownership, popular education and a sound and sensible proposal.

We aspire to be a country that treats people fairly and equally. Yet we still have a Constitution that recognises that people can be denied the vote or subject to different treatment because of their race. It is hard to describe us as a free and tolerant democracy when this possibility remains.

Australia's long record of failed attempts at constitutional reform does not mean that winning such referendums is 'mission impossible'. It shows that we should expect a referendum to fail whenever our major political parties disagree, or when poor management means that the Australian people feel left out or confused. People will also vote No to a proposal that is dangerous or has been poorly thought out. We need to recognise this if we are to overcome the current political aversion to changing Australia's Constitution. My own view is that constitutional change in the name of social justice can, and must, be brought about.

*Professor George Williams delivered the 10th Henry Parkes Oration in Canberra on 24 October 2012 and the full text of the speech can be found at [www.parkesfoundation.org.au](http://www.parkesfoundation.org.au) §*

# And homelessness marches on ...

**There is a crisis of homelessness in Australia today, and the 'new homeless' are breaking old stereotypes of men sleeping rough on the street. Increasingly, young people and older, single women are unable to find somewhere to live. Alison Laird from YWCA Australia explores what the worsening housing crisis means in social and economic terms for our communities and what should be done about it.**

Australia has one of the least affordable housing markets in the world, and a private rental sector increasingly seen in terms of investments rather than homes. As house prices increase and pressure on the private rental sector grows, homelessness is advancing towards groups not previously regarded as 'vulnerable'.

Despite the significant and commendable investment in homelessness programs and services and social housing over the past four years, latest 2011 Census figures show that more than 105,000 Australians are homeless. After adjusting for population growth, there has been an 8 per cent increase in the number of homeless Australians since 2006. Clearly, there is much to be done.

**W**omen head nearly 90% of single-parent households — the households most likely to be living in poverty.

Women are generally disproportionately affected by Australia's housing crisis for a range of reasons related to economic disadvantage, and because they are the majority of single-parent and single person households. Women have higher rates of persistent low economic resources and head nearly 90 per cent of single-parent households — the households most likely to be living in poverty.

Older, single women are the new face of homelessness, with a large wave of single, baby boomer women approaching retirement without economic and housing security, due to factors such as the gender wage gap, unpaid caring responsibilities and financial setbacks caused by divorce,



separation, or the death of a spouse. With insufficient superannuation and a pension system predicated on full home ownership, many women are facing homelessness as they age after a lifetime of work. The crisis is already being felt by frontline housing services. The risks faced by older single women, however, are largely missing from the public discourse on homelessness.

A preliminary analysis of the 2011 Census figures by the Equality Rights Alliance has found that there are more than 600,000 single women above 45 who do not own their own home and are in the middle to low income brackets, and therefore at risk of housing insecurity and/or homelessness in the future unless new solutions are developed.

Our program service delivery experience also tells us that young people, who are often in low-paid employment, are struggling in the private rental sector. Indeed, the latest Census found that 60 per cent of people experiencing homelessness in 2011 were under 35 years old. Young people can experience housing crises for a range of reasons, including family breakdown, a lack of rental history

and/or age discrimination which leaves them unable to compete in the rental market.

As well as the devastating and long-lasting impact on the lives of people experiencing homelessness, declining housing affordability and increasing homelessness also has implications for Australia's economic performance, workforce participation and productivity and social cohesion generally. Recently released research revealed the high economic costs of long-term homelessness in terms of human services, legal and custodial services, which can be up to \$ 5.5 million per person. On their release, Minister O'Connor described these figures as 'staggering'. There must be a better way.

**T**he latest Census found 60% of people experiencing homelessness in 2011 were under 35 years old.

Clearly, public perceptions of homelessness and policy settings need to change.

Continued on page 14

# ARE THE CLIMATE SCEPTICS MELTING AWAY?

This northern summer there was 3.8 million km<sup>2</sup> less  
Arctic ice than the average in the 1980s.

Imagine if Australia was disappearing that quickly.



“Arctic sea-ice extent is just fine: steady for a decade.”  
(Lord Monckton 2009)

“The Arctic ice refuses to go away, which forces  
the warmists to keep modifying their predictions.”  
(Andrew Bolt 2011)

## MAYBE THE SCEPTICS' BELIEFS ARE FROZEN IN TIME?

The **Australia Institute**  
Research that matters.

Arctic Sea-Ice Data: JARC-JAXA Information system: [http://www.jis.jarc.uaf.edu/en/home/seaice\\_extent.htm](http://www.jis.jarc.uaf.edu/en/home/seaice_extent.htm)  
Monckton quote: <http://www.durangobill.com/GwD/Liars/ChristopherMonckton.html>  
Bolt quote: [http://blogs.news.com.au/heraldsun/andrewbolt/index.php/heraldsun/comments/gore\\_and\\_his\\_fellow\\_alarmsists\\_are\\_on\\_thin\\_ice](http://blogs.news.com.au/heraldsun/andrewbolt/index.php/heraldsun/comments/gore_and_his_fellow_alarmsists_are_on_thin_ice)

This year saw the largest recorded melting of Arctic sea ice, demonstrating the effect of global warming. Sea ice coverage this past northern summer was 3.8 million km<sup>2</sup> less than the average in the 1980s. That is an area approximately half the size of Australia. In the face of this evidence surely scepticism must be melting away too?

If you would like to view all our infographics on topics ranging from the carbon tax, loneliness and government debt, log on to our Tumblr site via the icon on our homepage [www.tai.org.au](http://www.tai.org.au)



# The one early mark of the year?

**Job insecurity compels Australians across the pay spectrum to work long hours, more often than not for no extra money but a lot more stress and anxiety, write Kerrie Tucker and Cameron Amos. For one day of the year they can strike a blow for work/life balance across the nation by going home on time.**

November 21 was national *Go Home On Time Day* and we want to thank everyone for their support. For the fourth year running we have successfully raised awareness and stimulated community discussion about the negative impacts of poor work/life balance. We were delighted to have had the support of Ged Kearney, President of the ACTU, and Kate Carnell, CEO of beyondblue, who highlighted the harm that can result from poor workplace culture through their National Go Home On Time Day address to the National Press Club.

**O**verworked employees face a greater risk of accident or injury from fatigue than those employees who are working acceptable hours.

This year's paper — *An unhealthy obsession: The impact of work hours and workplace culture on Australia's health* — looked at the impact of irregular working hours. This research found that work stress in Australia is not only related to the number of hours worked, but a mismatch between the

workers' desired and actual hours of work, and the inflexibility of these arrangements. This is true for workers across the earning spectrum. Low-income workers are more likely to experience work-related stress and anxiety as a result of inadequate or uncertain income, while high income earners are more likely to experience stress and anxiety as a result of inadequate time to invest in sleep, exercise or family relationships.

The combined impact of dissatisfaction with the length of working hours, the unpredictability of working hours and the uncertainty about job security combine to cause around half of all Australians to express dissatisfaction with their hours of work, with around a quarter wishing they worked more and a quarter wanting to work less. Around one in five Australians work unpredictable hours, with around 2.2 million Australians reporting that they have little or no idea what time they will finish work that day. Furthermore, a large number of Australians report that they do not feel secure about their work. That is, around 20 per cent of the workforce, more than two million people, feel uncertain about the security of their tenure, the security of their work hours, or both.

The survey also found that irregular working hours were linked to an increase in reported stress and anxiety. Of those respondents who felt uncertain about their work hours, 40 per cent believed their job was creating stress and anxiety. Of those who felt their work hours were predictable, only 25 per cent believed their job was causing stress and anxiety. Stress is linked to a vast array of illnesses and impacts, including anxiety disorders, cardiovascular disease, obesity and depression. Overworked employees face a greater risk of accident or injury from fatigue than those employees who are working acceptable hours.

**J**ob insecurity causes stress and anxiety, and workers feel compelled to donate unpaid overtime.

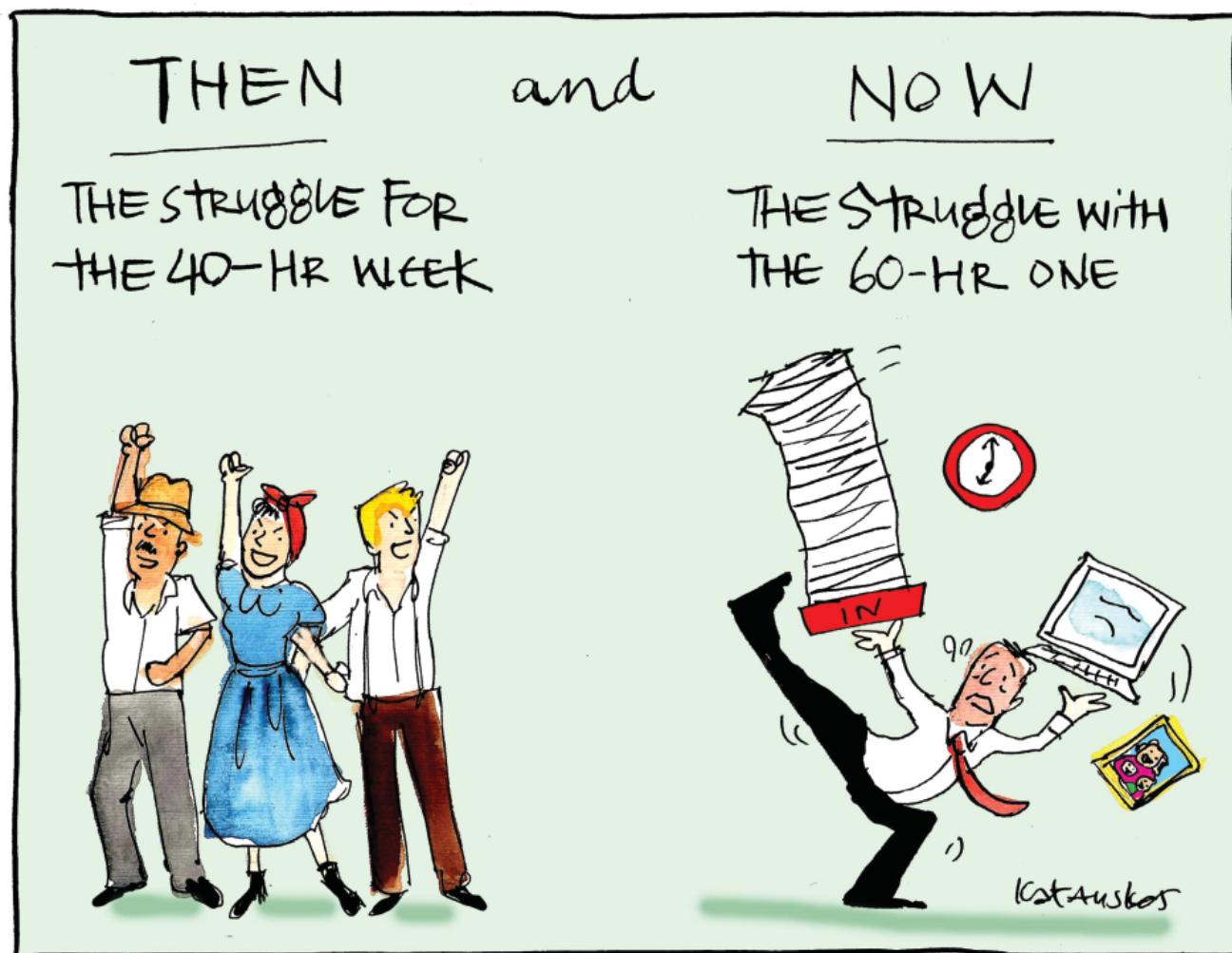
Why is this happening? It's not always money. Forty five per cent of all Australian workers, and more than half of all full-time employees, work more hours than they are paid for during a typical work day. Unpaid overtime is more common than paid overtime. On average, employees 'donate' 70 additional minutes each day on top of their prescribed working hours. This equates to 6.5 standard working weeks each year, per worker, offered to employers free of charge.

So if Australian workers are not motivated by financial incentive, why is this occurring? It appears that employees are more prepared to work longer hours when they are insecure about the permanency of their current position. This insecurity causes stress and anxiety, and workers feel compelled to donate unpaid overtime to compensate for their perceived impermanence.



beyondblue CEO Ms Kate Carnell AO and ACTU President Ged Kearney delivered the Go Home On Time Day Address 'Improving productivity through healthier workplaces' at the National Press Club on 21 November 2012. Photo by Sandy Spiers.

Continued on page 14



The Australia Institute was delighted to partner with *beyondblue*: the national depression and anxiety initiative for Go Home On Time Day 2012 to highlight the impact of poor working conditions on mental health.

A demanding job, little control in the workplace along with poor social support at work can result in job stress, which accounts for 17 per cent of depression in working women and 13 per cent in working men.

Other risk factors in the workplace are an unclear work role, job insecurity or lack of participation in decision making. It is important that workplaces understand the risks in their environment and look at what they can do to minimise the impact on their employees.

The financial impact of depression on workplaces and workers is significant with:

- \$650,000 lost each year by Australian workplaces for every 1,000 employees
- \$85 million lost each year collectively by workers with depression who don't have access to sick leave.

Employers, managers and employees also have legal obligations relating to the mental health of staff under Occupational Health and Safety, Disability and Discrimination and Privacy/Disclosure laws.

*beyondblue* has developed a range of resources and training designed to promote mentally healthy workplaces. For more information refer to [www.beyondblue.org.au/workplace](http://www.beyondblue.org.au/workplace)



Australia needs a long-term national housing policy plan supported by an Affordable Housing Growth Fund. Political will on the issue has dried up. We need to make the housing affordability crisis a national priority, develop a cohesive strategy and allocate substantial and ongoing funding accordingly.

As part of a strategic plan:

- The needs of emerging groups at risk of homelessness, including single, older women and young people generally, need to be taken into account.
- Funding must be renewed for the National Partnership Agreement on Homelessness (NPAH) for a further four years beyond the one-year extension recently agreed to at the COAG Select Council meeting.
- The tax treatment of investment properties needs to be changed to make the capital gains tax (CGT) exemption less generous on investment properties. We support Recommendation 14 of the Henry Tax Review, which calls for a reduction in the capital gains tax exemption from 50 per cent to 40 per

cent except in the case of affordable housing investment in approved forms. The savings (estimated to be around \$1 billion a year) could be used to grow affordable housing stock. To date, the Australian Government has ruled out any changes to CGT.

- The National Rental Affordability Scheme (NRAS), which supports the growth of affordable rental stock, should be improved and extended for a further five years.
- The next National Affordable Housing Agreement (NAHA) should be expanded to include issues such as taxation treatment and the NRAS. And let's include specific targets to address the demographic issues that are going to arise through the life of the agreement.

We also need to explore innovative models of home ownership, including community land trust-based shared equity models and housing development cooperatives.

In 2007 the UN Special Rapporteur on Adequate Housing as a Component of the Right to an Adequate Standard of Living, Miloon Kothari, reported the

onset of "a serious national housing crisis in Australia" and concluded that "Australia has failed to implement the human right to adequate housing". Five years later, that human right has still not been fulfilled. There is not enough affordable rental housing to go around and it's beginning to impact on certain groups in ways that were unimaginable a decade ago. The voices of the growing number of people affected by homelessness and housing insecurity need to be heard in our national conversation about homelessness. And if our nation's leaders can't be swayed by the humanitarian arguments for investing more in affordable rental housing, perhaps the economic arguments will convince them.

**W**e need to explore innovative models of home ownership, including housing development cooperatives.

*Alison Laird is the Policy Coordinator for YWCA Australia, the national association of YWCAs in Australia ([www.ywca.org.au](http://www.ywca.org.au)) §.*

The paper also shows that gender plays a role in a number of ways. Women work fewer hours of paid work than men. Men were more likely to report being influenced by their workplace's organisational structure and women were more likely to report family commitments as an influence on the number of hours worked. Family commitments have a major impact on the hours worked. Women with children are more likely to work fewer than 30 hours per week than women without children (57 per cent and 35 per cent respectively) and conversely women without children are more likely to work 30 hours or more per week (61 per cent and 42 per cent respectively). The impact of family commitments is less obvious for men, with the report

finding men are more likely to report longer working hours if they have children. Gender also appears to play a role in the predictability of hours worked, with men reporting significantly greater levels uncertainty about work hours. Men are more likely to report that work interferes with family life while women report that family interferes with their work life.

**A**round 2.2 million Australians reporting that they have little or no idea what time they will finish work that day.

It is telling that contentedness among employees in the workplace is higher

for firms whose corporate culture values security, predictability, and a commitment to a work/life balance than for firms who offer more money. Changing the corporate culture of workplaces in Australia so that greater importance is placed on security, regularity and a work/life balance will reap considerable economic benefit to society. As well as this it will mean that 2.2 million people are more likely to be home in time for dinner or there to pick up their kids, to catch up with friends or to do whatever else is life apart from work.

*A copy of *An unhealthy obsession: The impact of work hours and workplace culture on Australia's health* is available to download from [www.tai.org.au](http://www.tai.org.au) §*





# OVERWORKITIS

## KNOW THE WARNING SIGNS



**6.8 MILLION**

Australians have their personal time interrupted by mobile phones and work emails.



**2.2 MILLION**

Australians don't know what time they will finish work as they head out the door in the morning.



**4.2 MILLION**

Australians don't have time to exercise regularly, get enough sleep or go to the doctor when they are sick because of long work hours.



**4.8 MILLION**

Australians find it hard to take their annual leave at a time that suits them.



AUSTRALIANS WORK SOME OF THE LONGEST AVERAGE HOURS IN THE DEVELOPED WORLD



AUSTRALIANS DONATE AROUND \$72 BILLION WORTH OF UNPAID OVERTIME TO THEIR EMPLOYERS



ONLY 14 PERCENT OF WORKERS SAY THAT UNPAID OVERTIME IS DISCOURAGED IN THEIR WORKPLACE

**IF SYMPTOMS PERSIST:  
TAKE A DOSE OF  
'GO HOME ON TIME DAY'**



[www.gohomeontimeday.org.au](http://www.gohomeontimeday.org.au)

The **Australia Institute**  
Research that matters.

Millions of Australians experience unpredictable hours, work unpaid overtime, don't have enough time to exercise as much as they would like to or have difficulty taking their annual leave. The Australia Institute's national Go Home On Time initiative was conceived as a light-hearted way to start a serious conversation about these issues.

If you would like to view all our infographics on topics ranging from the carbon tax, loneliness and government debt, log on to our Tumblr site via the icon on our homepage [www.tai.org.au](http://www.tai.org.au)

# Why don't we legalise euthanasia?

**Legal voluntary euthanasia would save many Australians a lot of pain and anguish at the end of their lives. Public sentiment is on the side of its introduction, the international experience tells us that well-conceived legislation protects against abuse — and it's time for the major parties to take a stand, writes Richard Denniss.**

It's often said that the only certain things in life are death and taxes. In reality, of course, if you're willing to pay lawyers and accountants enough, you might be able to avoid taxes. But no matter how much you spend on doctors, the best you can do is prolong your mortality. And for some, the cost of extending life isn't financial, it's measured by the pain and anguish associated with delaying the inevitable.

**F**or some, 'fighting to the end' provides purpose. For others, it can seem painfully pointless.

Most people would like a quick and painless death, but unfortunately that's the exception. Death is more likely to come after a long medical struggle with an incurable illness. While death is certain, its timing isn't, partly because medical science can now prolong the dying process considerably.

For some, 'fighting to the end' provides purpose. For others, it can seem painfully pointless.

Some people face unbearable suffering at the end of their lives, suffering in the form of physical pain, mental anguish, or both. The realisation that, in some circumstances, there's no hope of a cure, let alone any respite from pain, can understandably result in feelings of despair. In these circumstances, it's not surprising that some people want to die.

If an Australian gets to this point, he or she has three main options.

The first 'choice' is to ask that life-prolonging treatment be withheld or withdrawn. This is sometimes called passive voluntary euthanasia and may involve terminal sedation.

The second 'option' is to ask for an increase in the medication designed to alleviate pain, even if such an increase may shorten the patient's life. Legally, it's necessary for a sympathetic doctor to deny any intention of hastening death.

The third alternative, which is not currently a legal option in Australia, is to obtain medical help in administering a life-ending drug. This is called voluntary euthanasia, or physician-assisted suicide.

Despite the historically strong opposition to terminally ill people being able to take responsibility for the way their lives end, the issue is subject to increasing debate, both here in Australia and around the world.

The power of the church is declining and cultural values are changing. And after decades of being told that individuals, not governments, are best placed to make decisions, it's understandable that a growing number of people want to take responsibility for one of the biggest decisions of all.

Public opinion polls on voluntary euthanasia are becoming more frequent and they show that public support for physician-assisted suicide is overwhelming. Over 70 per cent of Australians believe in the right of the terminally or incurably ill to obtain medical assistance to end their lives.

This strong level of community support reflects the reality that doctors already act to relieve suffering by helping terminally ill people die peacefully. But despite public opinion and medical practice, doctors risk prosecution in Australia if they assist someone to commit suicide.

Current laws condemn people to needless suffering, deny individuals the right to make the most personal of choices and ignore the reality that

doctors are already helping people to die.

Surveys show the public wants legislative reform to give terminally or incurably ill adults the choice of a medically assisted death. So why isn't anything being done?

Opponents of physician-assisted suicide are articulate, determined and well-funded — some opponents of change fear abuse of the vulnerable and an inevitable descent towards involuntary euthanasia, while some have strong beliefs about how other people should live and die.

There's institutional opposition from some churches on the basis that physician-assisted suicide is simply wrong because their faith tells them so. But it seems that it's elements of the religious hierarchy, not ordinary Christians, who are opposed.

A 2007 Newspoll found that 74 per cent of those respondents who claimed to belong to a religion agreed that doctors should be allowed to provide a lethal dose to a patient experiencing unrelievable suffering and with no hope of recovery. A more recent poll showed that 65 per cent of Australian Christians believed in legal voluntary euthanasia, with 73 per cent of the over-65s in favour.

**C**urrent laws condemn people to needless suffering, deny individuals the right to make the most personal of choices and ignore the reality that doctors are already helping people to die.

From a democratic point of view, the case for voluntary euthanasia is unassailable. The vast majority of people want it, and the leaders of

Continued on page 17



the groups that are the most strongly opposed to it are at odds with those they claim to represent.

Ideologically, it's hard to see how a society that increasingly questions the ability of government to make better decisions than individuals can continue to avoid a parliamentary debate about whether the government or the patient should have the final say in whether a treating doctor can assist suicide.

While the Greens support the legalisation of voluntary euthanasia, the stated policies of both major parties are completely at odds with majority opinion. No doubt this will change in time, but the longer that takes, the more people will suffer unnecessarily.

Protection for the vulnerable will be central to any serious debate about legislative change in this area. Opponents of voluntary euthanasia regularly voice their fear of a 'slippery slope' that could lead to the killing of vulnerable people.

Similar laws in other countries are designed to address this concern, and a number of government and independent reviews have

demonstrated that the laws work as intended.

Legislation for medically assisted dying exists in the Netherlands, Switzerland, Belgium, Luxembourg, and two American states — Oregon and Washington State. It's also legal in Montana as a result of a court ruling.

**F**rom a democratic point of view, the case for voluntary euthanasia is unassailable.

The standard legislative safeguards that exist in these countries include requirements that the patient is acting voluntarily and is not being coerced, that he or she is mentally competent (and not suffering from depression), and that the patient makes a fully informed decision.

In response to the fear of abuse of the vulnerable, research conducted in 2007 found that "rates of assisted dying in Oregon and in the Netherlands showed no evidence of heightened risk for the elderly, women, the uninsured ... people with low educational status, the poor,

the physically disabled or chronically ill, minors, people with psychiatric illnesses including depression, or racial or ethnic minorities, compared with background populations. The only group with a heightened risk was people with AIDS."

The most recent comprehensive study of the subject is the Royal Society of Canada's Expert Panel report on end-of-life decision making, which was published in November 2011. One of its conclusions was: "The evidence does not support claims that decriminalizing voluntary euthanasia and assisted suicide poses a threat to vulnerable people."

There are lots of reasons for people, and politicians, to be squeamish about this issue. It's obviously easier to ignore it and hope for the best. But it's not the job of our representatives to avoid hard issues; it's their job to confront them.

The public supports legalising assisted suicide, the medical profession is already doing it, and other countries have showed us that safeguards work.

*This article originally appeared in The Conversation. §*





Many readers will be familiar with *Yes, Minister*, especially with its repeated comments on how the will of the people should be expressed. When Bernard sweetly asks Sir Humphrey “but in a democracy, shouldn’t we do what the people want?” Humphrey replies: “Of course we should, Bernard, if it’s good for them.”

What do you do if the people’s will is clear but politicians won’t act? Voluntary euthanasia (or assisted dying) is a classic case. Public opinion surveys for the last few decades have consistently shown that a very substantial majority here in Australia and overseas want the choice of medical help to die if their suffering is unbearable.

The Australia Institute’s most recent study, last November, showed that 71 per cent of Australians support making voluntary euthanasia legal for someone experiencing unrelievable and incurable suffering.

At a Forum run by Dying with Dignity New South Wales, however, TAI’s Executive Director, Richard Denniss, pointed to the blunt truth that popular support is not enough. Minority but powerful organisations can and do influence politicians to do nothing to upset the status quo.

His point was proven last month in Massachusetts, where electors voted on a proposal to introduce a law like the one that has existed in Oregon for 15 years to allow someone with a terminal illness to ask for, and receive, medical help to die. A month before the vote, support was running at 65 per cent. However, by the end of October, it had dropped to 44% and opposition had increased to 42 per cent. The margin for success had fallen dramatically.

And on the day it counted, 6 November, the proposal was defeated 51 per cent to 49 per cent. What went wrong?

There were the long-standing arguments for and against. On the one hand, assisted dying is a matter of personal choice, compassionate and works safely in a number of countries; on the other, all life is sacred, doctors are healers not killers, and voluntary euthanasia will lead to abuse of the vulnerable (despite the lack of evidence to the contrary).

The campaign tactics of the opposition were simple, but consistent and well-funded. The key to their success was persuading people — even those who were in principle in favour of legalised assisted dying — that the proposition was badly drafted and did not cover some important details.

And, crucially, there was the money. Opponents outspent supporters by a 5-1 margin. The major opponent, the Committee Against Physician Assisted Suicide, spent the most, \$4 million, contributed largely by Roman Catholic organisations.

What will change politicians’ minds? A recent Newspoll commissioned for YourLastRight.com, the peak body for assisted dying law reform in Australia, offers a clue. It not only confirmed that an overwhelming majority are in favour of it (82 per cent). It also found that 23 per cent of Australians would change their vote if their candidate opposed law reform, compared to 6 per cent who would change their vote if their candidate supported it.

Dying with dignity supporters need to hammer this home to their local Member of Parliament and to the party leaders.

Richard Mills

President, Dying with Dignity New South Wales



## Can you shout us the cost of a coffee each week?

It’s hard to put a price on good ideas but regular donations, such as the cost of a coffee, definitely help them percolate. The Australia Institute relies on the generosity of its members and supporters to fund its research so if you’re in a position to make a regular donation, we’re in a position to

spend every cent of it producing more ‘research that matters’. It’s easy and secure to donate via the website [www.tai.org.au](http://www.tai.org.au): click the ‘donate’ tab and then select the monthly contribution button. All donations of \$2 or more are tax-deductible.

# Who knew Australians were so co-operative?

**Co-operatives offer an economically responsible and socially inclusive alternative to the traditional corporate model, and they already make a significant contribution to Australian society, writes Susanna Nelson. So why has no-one told the public — many of whom are already co-operative members — about this innovative sector?**



In the wake of the Global Financial Crisis, which brought some of the worst corporate excesses to public attention, it would be reasonable to assume that many people would be looking for alternative providers of services and products, and a greater say in how and where they are produced. Indeed, an Australia Institute survey found that nine in ten Australians agree that corporate executives are overpaid, that corporations are more interested in their profits than the consumer, and that the pursuit of profit above all else is at odds with the common good.

**F**armers' co-operatives multiply the bargaining power of small farmers against the supermarket heavyweights.

Yet an alternative to traditional capitalism already exists — in fact, it is a thriving sector with enormous breadth and reach. Co-operative associations are an established presence in Australian society, and with their more equitable structure of 'one member, one vote' rather than 'one

share, one vote', are an accessible way for Australians to reduce their reliance on for-profit banks, insurance companies, superannuation providers and other corporate goods and service providers.

The co-operative or mutually owned structure can be found in large, well-branded organisations — such as widely subscribed automobile clubs like the National Roads and Motorists' Association (NRMA) and mutual banks like MECU — as well as in farmers' collectives and student food co-ops. Some co-operatives are run by members on a voluntary basis or in exchange for discounts on products and many place a high importance on social responsibility. For example, food co-ops tend to offer sustainable, organic, healthy alternatives to the products on offer in supermarkets.

Another prominent feature of the co-operative is its fundamentally democratic structure. Unlike passive shareholders who exercise little control over the companies they own, in co-operatives members are more likely to participate in day-to-day operations and influence the principles and values

of the organisation. Members are the direct beneficiaries of the operation and have an equal say in decision-making processes.

Co-operatives are not only a viable and ethical alternative to privately owned corporations; they offer Australians an ideal opportunity to make considerable savings on their mortgages and super, among other things. In the case of home loans, for example, members of mutually owned banks, building societies and credit unions save an estimated 0.4 per cent on their mortgage interest rate, which translates to \$76,417 over the life of the loan for an average loan, and takes three years off the repayment period.

**A** prominent feature of the co-operative is its fundamentally democratic structure.

Farmers' co-operatives multiply the bargaining power of small farmers against the supermarket heavyweights, while community health co-operatives provide an affordable model of primary health care with lessons for policy-makers in this area.

But while 79 per cent of Australians are members of co-operative organisations, a much smaller percentage understands how they work or why they are a better alternative to big business. Astoundingly, only 16 per cent of people realise they belong to a co-operative.

The low levels of public awareness of the benefit and function of co-operatives in Australian society can in part be attributed to the deep pockets of their corporate competitors, with their large advertising budgets and

Continued on page 22

# Tasmania's forestry deal: An awkward alliance

**The parties at opposite ends of Tasmania's intractable logging debate recently forged an uneasy truce to sign the forestry deal. But Andrew Macintosh and Richard Denniss ask if a third way might have produced better outcomes for the Tasmanian economy and the environment.**

The newly-inked Tasmanian Forest Agreement has been hailed by many as a historic breakthrough that provides Tasmania with an opportunity to end the divisive 'forest wars' and remake the state's ailing economy. In truth, it is a case study in how not to make policy.

By handing over the responsibility for resolving the dispute to two groups that sit at either end of the debate — the forest lobby and green groups — the Tasmanian government has overlooked the interests of those in the middle; the Tasmanian public. As a result, insufficient attention has been

paid to how the forests can be best used to advance the interests of the community.

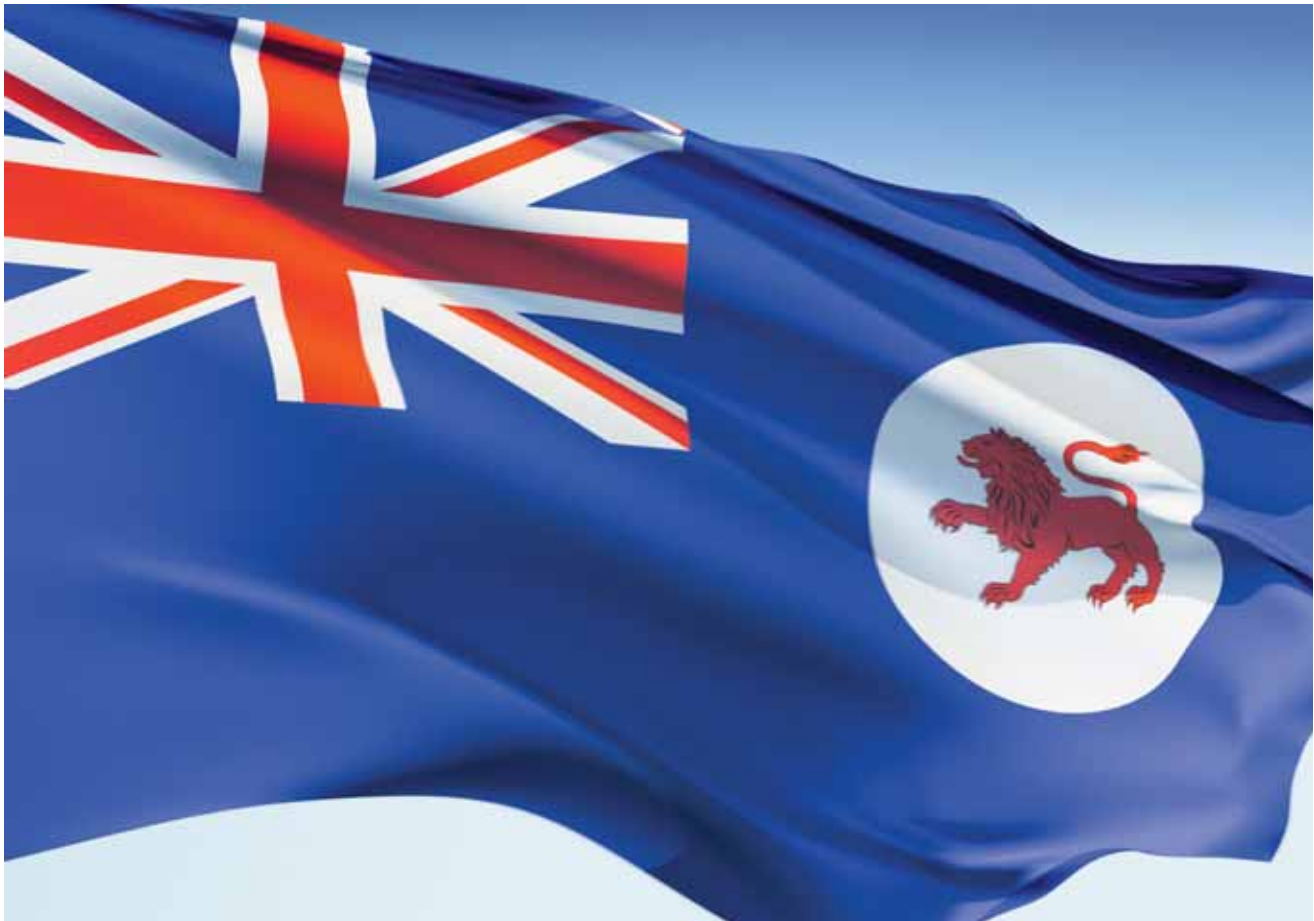
**T**he TFA is a case study in how not to make policy.

Throughout the process, the forest lobby pushed their case for additional subsidies to prop it up during the current industry downturn. This is to be expected. For their part, the conservation groups stuck to the tactics that have defined the forest conservation movement since the

late 1960s: argue for more reserves and try to get lines on maps so as to protect native forests from logging.

The outcome reflects an awkward and unsatisfying compromise between these interests. For the third time in 15 years, the forest industry will receive a bucket of money to 'restructure' and help it become 'sustainable' (demonstrating once again that the word is possibly the most abused in politics), while the conservation groups walk away with 504,012 hectares of new forest reserves, around 50 per cent of which were never going to be harvested.

Continued on page 21





The impact of the agreement will be to perpetuate a native forest logging industry that is facing an existential crisis. It has always been a marginal economic activity that barely scrapes a profit. Recent events have made it decidedly uneconomic. In the past five years, the cumulative reported comprehensive loss made by Forestry Tasmania was \$509 million. Its cumulative trading loss (i.e. loss before tax and other items) was \$55.7 million, or around \$11 million per annum.

The industry likes to lay the blame for the state of the industry at the feet of the conservation movement, claiming conservationists have tarnished the international image of its products. While green group lobbying may have had some impact, the real reasons are market-related. The native forest sector has faced increasing competition from plantations, stagnant or declining real product prices, rising input prices, a high dollar and a shift in consumer preferences away from native forest products.

**T**he forest lobby has pushed its case for additional subsidies to prop up the industry.

Another government bailout of the industry is not going to alter the market circumstances that are the root cause of the problem. The subsidies and attempted restructure will provide a temporary reprieve but, as history has shown, in a few years the industry will return for further assistance.

In a similar vein, the promised new reserves under the TFA will not quell the calls from conservationists for more protection. The green groups involved in the deal — The Wilderness Society, the Australian Conservation Foundation and Environment Tasmania — are but three voices in a diverse and complex movement. The idea that they speak for the broader movement is fanciful.

The most that can be said for the TFA is that it provides a band-aid. Similar to the European Union's approach to

fiscal reform for most of the 2000s, the parties to the TFA have 'kicked the can down the road', leaving others to search for more lasting solutions.

An alternative to what the TFA offers is to use Tasmania's native forests, or a large part of them, to generate carbon credits. The revenue from the sale of the credits could then be used to assist in the restructure of the state's economy.

To many, this sounds like black magic. However, irrespective of what the Tasmanian government does, the reduction in native forest harvesting that has come with the downturn in the industry, and that is partially guaranteed by the TFA, will result in carbon credits. The only issue is that they will be taken by the Australian government.

This is a product of new greenhouse accounting rules that will take effect when Australia signs up to the second commitment period of the Kyoto Protocol. Under these new rules, any reduction in native forest harvesting below the levels seen in the 2000s will result in Australia receiving offset credits. By offsetting emissions in other sectors, these credits enable the Australian government to increase the number of carbon units it sells under the new emissions trading scheme, thereby increasing its carbon revenues.

Our analysis suggests that, by guaranteeing that harvesting in Tasmania's native forests remains below the levels in the 2000s, the TFA should lead to the Australian government receiving an average of 7.4–8.2 million credits per year over the period 2012–2032. These credits are likely to be worth billions.

These carbon benefits do not have to accrue to the Australian government. The revenues could be wholly or partially allocated to Tasmania. Alternatively, the Australian government's credits could effectively be transferred to the state government through the Carbon Farming Initiative.

These options were brought to the Tasmanian government's attention in March this year. For months, they were largely ignored. Then, just prior to the signing of the TFA, Premier Lara Giddings announced that the government had engaged consultants, CO2 Australia, to undertake a feasibility study on how it could turn the outcomes from the TFA into carbon credits.

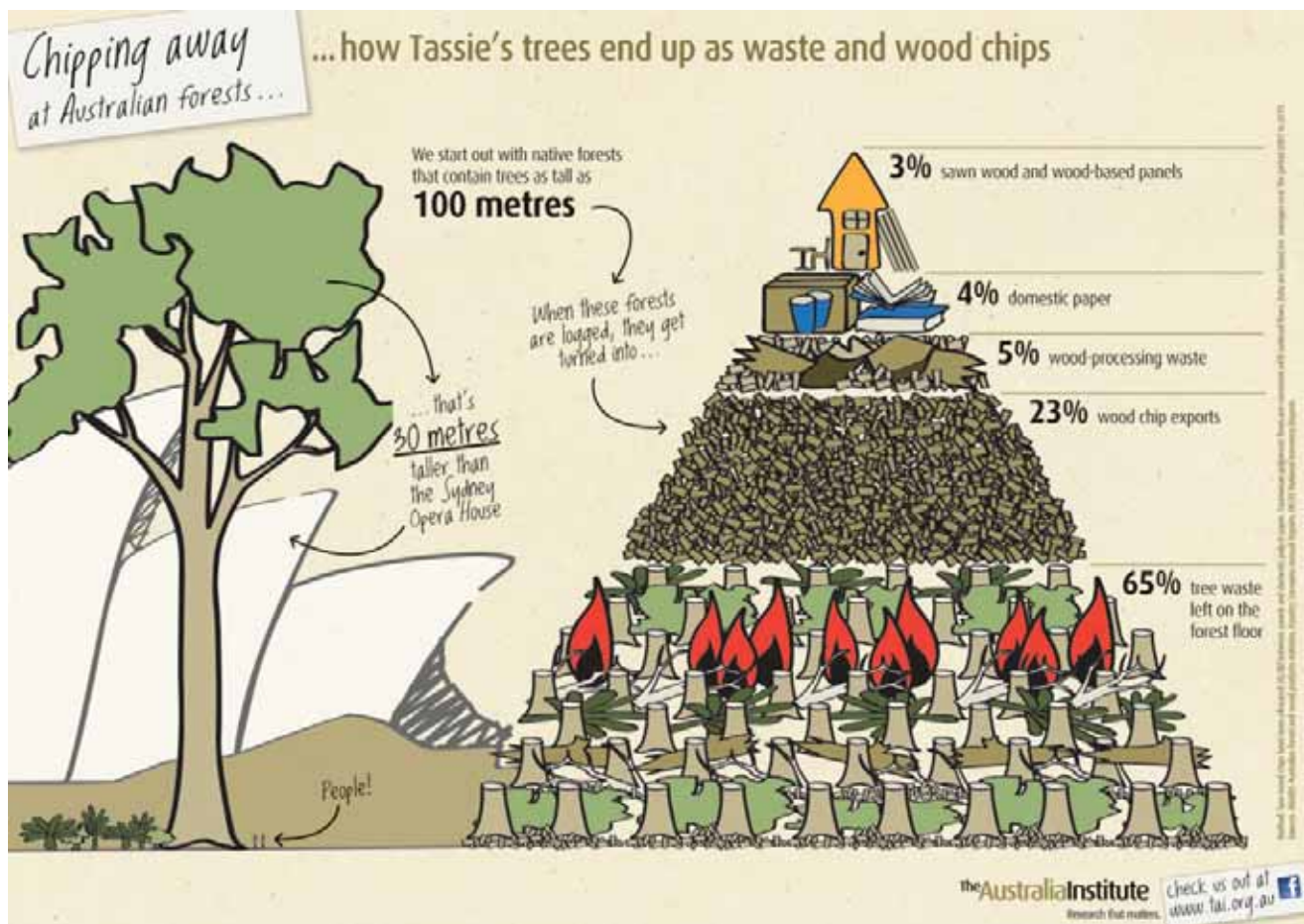
**T**he state Parliament needs to ask itself whether it is doing the right thing by the Tasmanian community.

Some may say better late than never. But by allowing the industry and green groups to dictate the structure and content of the TFA, the Tasmanian government may have jeopardised its chances of getting any of the available carbon credit benefits.

Most notably, the Australian government has indicated that, if Tasmania takes Commonwealth money to restructure the industry and establish the reserves, it won't be able to 'double dip' by also claiming carbon credits. Prime Minister Gillard told the Premier this in July 2011 and the state government received the same message in October 2012, this time from the Parliamentary Secretary for Climate Change, Mark Dreyfus.

Under the current terms of the TFA, Tasmania stands to receive in the order of \$300 million, possibly a little more. In return, the Australian government gets a guarantee of \$6–\$7 billion in offset credits. The state Parliament needs to ask itself, is it doing the right thing by the Tasmanian community in signing up to a deal that is unlikely to provide a lasting solution to the woes of the forestry industry and that is so heavily weighted towards the interests of the Commonwealth?

*This article originally appeared in Crikey. A copy of Tasmanian Forest Agreement 2012: Who is the winner? is available to download from [www.tai.org.au](http://www.tai.org.au)*



In debates about native forestry, it is common for the industry to claim that its activities are sawlog driven and carbon neutral. But as the attached infographic shows, when you take a hard look at the data, the reality is that most of the biomass affected by harvest operations is left to rot (or burn) on the forest floor or ends up as wood chips and processing waste.

If you would like to view all our infographics on topics ranging from the carbon tax, loneliness and government debt, log on to our Tumblr site via the icon on our homepage [www.tai.org.au](http://www.tai.org.au)

*Who knew Australians were so co-operative?* from page 19

carefully crafted brands. Indeed, many in the for-profit sector have twigged to the power of the notion of 'giving back to the community' and often go to great lengths to highlight the comparatively tiny portion of profit they contribute to community initiatives. By contrast, co-operatives channel most of their earnings back into the community or return it to their members — they just don't advertise this fact, or, more broadly, the fact of their existence.

The absence of awareness of co-operatives and their positive contribution to Australian society can be remedied in several ways. Mutuals and co-operatives should promote their services and benefits more widely in the community. While their current low spend on advertising helps to keep their costs down, it is important for the public to have a greater level of

awareness of their role. This includes informing the community about the positive contribution they make. It is clear that their competitors in the private sector are more adept at doing this, and spend more on their messages, despite giving far less back in proportion to their profits.

The mutual sector could promote its contribution to society by creating a central registry of community support. It could also highlight that its contribution extends beyond economics to the building of social capital and the strength and wellbeing of the community.

Governments, in turn, must acknowledge and foster the growth of co-operative membership. This can be achieved by addressing the barriers that prevent consumers from removing

their custom from the big banks and other for-profit organisations and moving to the co-operative sector. Central agencies and regulators must also closely monitor the nature of 'competition' in certain sectors and create the pre-conditions for a more diverse business ecosystem, in which the co-operative model plays an important role.

*Who knew Australians were so co-operative? The size and scope of mutually owned co-ops in Australia* was launched at the National IYC 2012 Conference in Port Macquarie. The paper includes a number of case studies of successful Australian co-ops across the finance, health, motoring and agriculture industries. A copy of the paper is available to download from [www.tai.org.au](http://www.tai.org.au) §

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## New publications

*Tasmanian Forest Agreement 2012: Who is the winner?* A Macintosh, December 2012

*The rise and rise of the big banks*, D Richardson, December 2012

*Carbon credits from Western Australia's multiple use public native forests: a first pass assessment*, A Macintosh, December 2012

*An unhealthy obsession: the impact of work hours and workplace culture on Australia's health*, R Denniss and D Baker, November 2012

*Beating around the bush: the impact of the mining boom on rural exports*, M Grudnoff, November 2012

*Who knew Australians were so co-operative? The size and scope of mutually owned co-ops in Australia*, R Denniss and D Baker, October 2012

*Cash-in-hand means less cash for states*, D Richardson and R Denniss, October 2012.

## Opinion pieces

All opinion pieces written by the Institute's staff can be downloaded from the website [www.tai.org.au](http://www.tai.org.au)

**Tweaking GST is just a quick fix**, *Australian Financial Review*, 11 December 2012

**Rethinking nation's needs**, *The Canberra Times*, 8 December 2012

**Dig a little deeper for full mining story**, *Newcastle Herald*, 29 November 2012

**How not to make policy: Tasmanian forest deal**, 29 November 2012

**Where the buck stops in politics**, *Australian Financial Review*, 27 November 2012

**Parking lite: a metre less**, *The Canberra Times*, 24 November 2012

**Data crunch: How many jobs are there in Tassie forestry**, *Crikey*, 19 November 2012

**The high price of stress**, *Australian Financial Review*, 15 November 2012

**All work + no play = stress**, *The Canberra Times*, 10 November 2012

**Bank customers pay for oligopoly**, *Australian Financial Review*, 30 October 2012

**Coops offer alternative**, *The Canberra Times*, 27 October 2012

**When policy lacks nuance**, *Australian Financial Review*, 16 October 2012

**Ad land's brutal wake-up**, *The Canberra Times*, 13 October 2012

**Lurk before you leap**, *Australian Financial Review*, 4 October 2012

**Taxing issue for voters**, *The Canberra Times*, 29 September 2012

**Miners should pay premium**, *Australian Financial Review*, 18 September 2012

**Selling out our country**, *The Canberra Times*, 15 September 2012

## Thank you

In early October a wonderfully generous donor pledged \$20,000 to The Australia Institute if we could match it dollar for dollar. For a small organisation like ours, which relies on independent funding to exist, a donation of that size is incredibly significant.

We are pleased to report that through the support of our members and supporters we managed not just to match the \$20,000 pledged to us, but to raise an additional \$8,000! That means that coming into an election year we will have an extra \$48,000 to spend on important research which highlights the issues that matter to progressive Australians.

As we like to say, independent ideas can only come from independent funding. Without our supporters, who don't just care about ideas but are also willing to fund them, The Australia Institute wouldn't exist.

The Institute would like to extend a warm thank you to Dr David Morawetz and his Social Justice Fund for his exceptional generosity in pledging the original \$20,000.

