

FLAGSHIP PUBLICATION OF THE

# JOHN CURTIN RESEARCH CENTRE

Labor ideas for a better Australia
Issue 2, October 2017

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> Senator Kimberley Kitching on supporting our military veterans | P. 8

Hon Dr Andrew Leigh MP on tackling inequality through innovation and education | P. 5

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### **Editorial**

Executive Director, Dr Nick Dyrenfurth

WELCOME to the second edition of The Tocsin. The John Curtin Research Centre has enjoyed a busy second half of the year as you will discern from the contents of this edition. June saw the official launch of The Tocsin by Senator the Hon. Kim Carr, whose fine speech at the federal parliamentary Labor party caucus room at Parliament House, Canberra, is extracted in this issue. Your humble correspondent's policy essay advocating employee representation on company boards was released in late August, with a stellar address at Victorian Trades Hall by former Deputy Prime Minister and Treasurer Wayne Swan MP. Wayne's speech is also featured in this edition.

Elsewhere there are fine essays by Victorian Labor Senator Kimberly Kitching on our nation's obligations to our defence force personnel, Andrew Leigh writes on the role of education and innovation in tackling inequality, while Michael Cooney makes an arresting case for the Republic. There is also a profile of our chair, Dr Henry Pinskier who separately has written a touching tribute to his friend and former Labor state government Minister Fiona Richardson, who died after a long illness last month.

This edition is tinged with sadness in another regard. In it we publish a commissioned article by Clara Jordan-Baird on a fairer go for interns. Sadly, Clara passed away before its publication. The passing of this talented, energetic and accomplished young woman is a tragedy. On behalf of the John Curtin Research Centre I extend my deepest sympathies to her family and friends.

We have a busy schedule of events over the rest of the year. Labor MP Dr Mike Kelly will shortly address the centre on the topic of Labor's approach to national security. We have two important policies due out in coming months. In October Labor MP Tim Hammond will release his essay concerning our nation's energy and resources policy. Our report Super Ideas, in conjunction with Vision Super, deals with challenges to our nation's retirement income system, and will be released in late November. We also have exciting news regarding the establishment of the John Curtin Labor Academy, which aims to train the best

and brightest minds in the labour movement. The inaugural John Curtin Research Centre Gala Dinner takes place on 11 October in Melbourne. Make sure you purchase tickets for a night of fine conversation, food and drink.

Finally, thank you all for supporting our centre's work. The times suit the labour movement – we have a historic opportunity to shape a new policy settlement in this country which builds a modern, thriving and diverse economy that creates and sustains well-paid, secured jobs in a globalised world and ensures that our health and education sectors are world-class. The opportunity to redraw the lines of our national policy settlement presents to very few generations. The settlements of the 1900s, 1940s and 1980s were spaced forty years apart and responded to tumultuous events of the decade previously. In the lingering shadow of the GFC it is time for our generation, through the power of our ideas and advocacy, to seize our moment to make Australia fairer and better.

In unity,

Dr Nick Dyrenfurth

flice By

Editor of The Tocsin



# Technology, Transitions and Teachers

Andrew Leigh on tackling inequality through innovation and education.

The twentieth century saw an explosion in technologies, from aircraft to radio, antibiotics to smartphones. Living standards rose massively. Yet the middle of that century – the 1920s to the 1970s – saw the largest reduction in inequality in Australian history.

Australia today faces two intertwined challenges. First, how do we continue the pace of innovation in the twenty-first century that we saw in the twentieth? Second, how do we ensure that prosperity is broadly shared? As it happens, I will argue that a single policy recommendation offers the greatest promise to make us more entrepreneurial and more equal.

#### **Innovation Nation?**

When it comes to the most-cited research in science and engineering, Australia accounts for 5.5 percent of the most-cited papers (around ten times what our share of world population would lead you to expect). Across science fields, Australia does especially well in geology, geochemistry, earth sciences, environmental sciences and veterinary sciences. Australia has more top researchers per person than almost all advanced countries.

However, we do less well when it comes to translating those ideas into businesses. According to former Chief Scientist Ian Chubb, just 1.5 per cent of Australian companies developed new-to-the-world innovations, compared to between 10 to 40 per cent in many other OECD countries. Just 6 percent of ASX300 firms say that Australia is a 'highly innovative' nation.

A similar picture emerges when we look at the workforce. Researchers make up 0.85 percent of the Australian workforce – about average for advanced nations. But the share of those researchers in business (32 percent) ranks us the lowest in the OECD. We also have one of the lowest rates of industry–research collaboration in the OECD.

Another indicator is to look at patent filings. Whether or not you think our intellectual property system is perfect, the number of patent filings does say something about the underlying level of innovation in the country. According to the OECD, Australia ranks in the bottom half of advanced countries for

patent filings per person. Over the past decade, most advanced countries have increased their rate of patent filings. But the number of patents filed by Australians is down by at least one-fifth over the last decade.

#### Australia Fair

On the labour market side, many worry that innovation will lead to mass unemployment. The Luddites may have used a little too much force to make their point, but they weren't wrong about the fact that technological change can destroy jobs as well as create them.

One way of looking at the issue is to divide jobs into three categories: low-paid manual jobs, middle-paid routine jobs, and high-paid abstract jobs. Routine jobs are occupations such as bookkeeping, administrative support, and repetitive manufacturing tasks. What makes routine jobs vulnerable to computerisation is that they involve following established rules. By contrast, abstract jobs involve problem-solving, creativity, and teamwork. When a lawyer advises a client whether to accept a plea bargain or a manager decides how to respond to an employee arriving late for work, they are tackling problems that do not have a closed-form solution.

More interesting is the resilience of manual jobs to computerisation. Thus far, attempts to automate the work of jobs such as cooking, cleaning, security work and personal care have largely failed. Analysing data since the early-1990s, Roger Wilkins and Mark Wooden look at employment changes across 43 occupations. This shows a U-shaped pattern, with growth in both low-paid manual occupations such as storepersons and carers; and high-paid abstract occupations such as managers, ICT professionals and legal professionals. In the middle, routine jobs such as clerical workers, machine operators and secretaries have shrunk relative to the workforce as a whole.

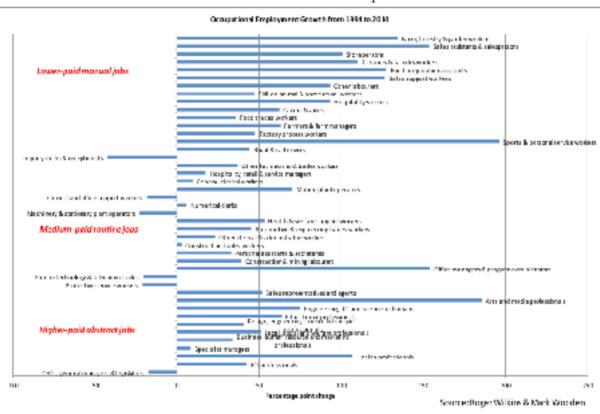
Similarly, Jeff Borland and Mick Coelli seek to directly address the question by coding jobs according to their degree of routine content. They find a strong pattern: the more routine a job is, the more likely it was to have shrunk since the mid-1960s. From roboadvisers to crop-dusting drones, jobs that involve

following established rules are under threat.

#### What should we do about it?

If you speak with start-up founders, and ask them what would make their business more productive, they invariably point to the need for highly skilled people. Similarly, if you chat with people who do job placement, they'll tell you about the value of a great education as a platform for lifelong learning. And if you sit down with those who've spent time behind bars, they'll often talk about how much they hated school. Although school completion rates and tertiary participation rates have risen markedly in recent generations, high school test scores show little sign of improvement. Compared on the same numeracy tests, 13-14 year-olds in 1964 outperformed those in 2003. Similarly, Australian 15 year-olds were better readers in 2000 than 2015. The most significant schooling

war decades, rampant gender pay discrimination in law, medicine, business and other professions meant that teaching was one of the few professions open to female university graduates. Teaching wasn't free of discrimination, but it provided considerably better opportunities for talented women than other occupations. Gender pay discrimination meant that the calibre of many professional occupations was lower in the 1950s and 1960s than it would otherwise have been. For example, as late as 1971, women made up just 13 percent of doctors, 6 percent of lawyers, and 0 percent of members of the House of Representatives. The reduction in gender pay discrimination was one of the great post-war advances for Australia. Not only did it expand the opportunities available to women, but it raised output, because discriminatory firms are less productive. Gender pay discrimination still exists, but our public services and businesses are more productive now than in the Mad Men era:



reform in recent years – the move towards needs-based school funding – only began with the 2014-15 financial year, so it would be unrealistic to expect it to show up in student results immediately. I strongly support needs-based funding. But I also think getting the funding model right is only part of the answer to building a great education system.

To raise the quality of Australian education, Australia needs a national push to raise teacher effectiveness. In the past, Australian education ministers have noted that 'teacher quality' is the single greatest in-school influence on student engagement and achievement. In my view, this means it should be a central priority for Australian schools policy. The challenge goes back to the fact that in the post-

because they make better use of the talents of women. Yet as talented women flooded into the professions, they flooded out of occupations such as teaching and nursing, which had been relatively attractive to women. Chris Ryan and I look at the literacy and numeracy of new teachers, relative to those in their age cohort. From 1983 to 2003, the average percentile rank of those entering teacher education fell from 74 to 61, while the average rank of new teachers fell from 70 to 62. The share of new teachers who were in the top fifth of their class halved. The share of new teachers who were in the bottom of their class doubled. Similarly, over the period 2005 to 2012, the share of teacher education students with ATAR scores over 80 fell from four in ten to three in ten.

Admittedly, a good player doesn't always make a good coach. My favourite teachers were inspirational because they loved their subject matter. To hear my English teacher, Judith Anderson, talk about Donne was to be transported back to 17<sup>th</sup> century England. Once my maths teacher, Mick Canty, taught you why complex numbers existed, you felt you'd known it all your life. Passion, empathy and grit are all elements of terrific teaching. But aptitude matters: great teachers are more commonly those who aced a subject rather than barely passing.

#### Effective Teachers - Lessons from Finland

In considering how to raise teacher effectiveness, we could do worse than to look to the performance of Finland, a country that routinely ranks high on the international test score league tables. Now I admit that as an education researcher, I'd always been a bit sceptical of those whose education reform ideas seemed to boil down to 'be like Finland'. Somehow, they always reminded me of Monty Python's song 'Finland, Finland, Finland – Finland has it all'. The problem is that it isn't clear which bit of Finland's approach we should replicate. Late school starting ages? Less homework? Long recess breaks? No school uniforms? Low levels of inequality? A logical language, in which words are pronounced as they are written?

What's far more interesting to me than 'Finland is great' is the fact that this is only really the story of the past generation. In the 1960s and 1970s, Finland was an average performer on international tests. Indeed, one study estimates that Australian students outperformed their Finnish counterparts in the mid-1970s. It was only in the late-1970s that Finland embarked on a major push to raise the aptitude of new teachers.

One mark of the success of Finland's teaching push is that teacher education students are generally drawn from the top fifth of high school graduates. For every position in a teacher education course, there are around ten applicants. Those selected are chosen based not only on academic excellence, but also on an interview. Finnish teachers are highly regarded, with polls placing them as the nation's most admired profession. Raising teaching quality involved a suite of changes in Finland. Smaller teacher education providers were closed down. The remaining universities were forced to be more selective and rigorous. The government worked closely with the teacher union in implementing the changes. Teacher pay is comparable with other advanced countries, both for starting and experienced teachers. Finland has no national system of teacher merit pay, though municipalities sometimes pay bonuses to high-performing teachers. Finland also mandated Masters degrees for all teachers, meaning that those who wanted to teach needed to study for a minimum of five years. Economists have generally been sceptical of the value of Masters degrees, noting that long study periods can act as a barriers to entry, effectively discouraging talented people from entering a profession. Studies in the United States and Australia have failed to find evidence that teachers with a Masters degree do better in the classroom.

Why was Finland's push for Masters-trained teachers a success? One possibility is that Finnish Masters degrees were more focused on improving teaching than those in other countries. For example, students studying to be a secondary school teacher spend one-third of their time during a Masters degree teaching in schools. Another possibility is that Finland succeeded despite its emphasis on Masters degrees. Once you select teacher education students from among your best high school graduates, it is plausible that what you do with them at university is of secondary importance. Indeed, this goes to a broader point. Once you select superstar teachers, many of the critical issues in education become less important. I'm a strong supporter of a national curriculum, test score reporting and raising the calibre of school leadership. But I have to admit that all these issues become less critical the more effective our teachers are.

Making teacher effectiveness the leading priority means doing more to celebrate great teachers, and recognising their power to transform lives. In 2006, I encouraged the Australian National University to establish a scheme through which students graduating with their bachelor degree could nominate an influential school teacher. To read the nominating statements is to be reminded of what great teaching involves. One female student wrote of her biology teacher, Lorraine Huxley, that she had 'inspired me to include science as part of my tertiary studies'. A commerce student wrote of his teacher, David Dorrian: '[he] was truly excited about his topic – Mathematics - and imbued this in his students'. An archaeology student wrote of her ancient history teacher, Mary Condon: 'Mrs Condon had a way of making historical characters and events come alive. I felt like I knew exactly what it was like to grow up in a Spartan village and I felt that Augustus and Agrippina were close friends of mine.' Imagine how much more innovative and egalitarian our schools could be if every student felt like this about every teacher. Education remains the best productivity-boosting policy – and the best antipoverty vaccine - that we have yet developed. To transform teacher effectiveness would both raise the rate of innovation and entrepreneurship, and reduce joblessness and inequality. If the robots are coming, we'd best ensure we have great teachers to meet them.

Dr Andrew Leigh is the Shadow Assistant Treasurer and Federal Member for Fenner. His website is <a href="https://www.andrewleigh.com">www.andrewleigh.com</a>. This article is adapted from Andrew's 2015 Melville Lecture, delivered at the Australian National University.

### Lest we forget

Senator Kimberley Kitching on putting suicide among Defence veterans on the national agenda

JOHN Curtin, Labor's great war-time Prime Minister, knew that Australia owed a tremendous debt to the men and women of the Australian Defence Force, who for over a century have served our nation, protected our security and supported our allies in many parts of the world. While we are happy to say 'Lest we forget' on Anzac Day in honour of those who gave their lives in our service, sadly sometimes we do forget. Particularly, we forget the welfare of our military veterans upon return from active service or leave the defence forces.

When I became a Senator last year, I was appointed to the Senate Foreign Affairs, Defence and Trade References Committee. One of the first Committee meetings I attended was an inquiry into suicide among Veterans and ex-service personnel. The inquiry was headed by Senator Alex Gallacher, my Labor colleague from South Australia, and included Senators from all parties.

We received hundreds of submissions from exservice men and women, from widows and other family members of service members who had taken their own lives, and from organisations representing veterans and former defence personnel. We held hearings in five cities and heard expert witnesses and heard from veterans themselves who knew all too well the cost of service that some of their friends and relatives could no longer bear. We heard of the impact of suicides on veterans' families, on their spouses and on their children. We heard that there are thousands of veterans who are homeless and living on the streets. Our report, which we decided to name 'The Constant Battle', was presented to the Senate on 15 August. The inquiry was conducted in a non-partisan way, and its recommendations were supported by Senators of all parties. This gives me hope that the report's recommendations will be implemented.

Before I discuss the recommendations, I want to acknowledge the service of former ADF members who have taken their own lives, and the sorrow of theirfamilies. I wish to give special acknowledgement to those who lost family members to suicide during the course of the inquiry. Over the course of this inquiry, the burden of responsibility to do justice to those ex-service personnel who have been lost to suicide has been keenly felt by all members of the Committee.

As the figures in the draft report show, suicide among former ADF members causes more deaths than overseas operational service does. Statistically, that fact should not surprise us. The ADF currently has 77,000 active members and reservists, while there are over half a million former ADF members. This has led to frequent assertions that defence veterans have a much higher suicide rate than other people, that there is a 'suicide epidemic' among veterans. Yet, research in both Australia and the United States shows that the overall suicide rate among defence veterans is not greatly different from the rate in the general population, once we control for age and gender.

That, however, is a big qualification, because the veteran population is predominantly male, and men are far more likely to commit suicide than women. Suicide is also more common among young men, and we now have a large population of young veterans as a result of our recent deployments in Iraq, East Timor, the Solomon Islands and Afghanistan. Since 2000, over 50,000 Australians have seen active service overseas, compared with the 60,000 who served in Vietnam. We do not have exact figures for the number of suicides and attempted suicides among former ADF members. A recent Australian Institute of Health and Welfare study found that between 2001 and 2015, there were 325 certified suicides amongst ADF veterans, but the real figure may well be higher. Revealingly, the suicide rate among veterans who have seen operational service does not seem to be significantly higher than the rate among other veterans. This suggests that the common stereotype of veteran suicide resulting from the trauma of combat needs to be treated with caution. Post-traumatic stress is obviously a factor in some suicides among former ADF members, but it is far from being the sole cause. The Australian Institute of Health and Welfare study found that the group most at risk was young veterans involuntarily discharged due to physical or mental injury. This group exhibited suicides rates double that of the comparable national population. This suggests that our attention needs to be focussed on the transition from service to civilian life, particularly among young men who have been involuntarily discharged, for whatever reason. These men may suffer from a variety of psychological factors that may dispose them to suicide. We must never forget of course that behind statistic there is a human story, and often a tragic and heartbreaking one. For our veterans and ex-service personnel who are frequently required to spend an extremely long and difficult time on deployment, it is clear that the return to

civilian life is not a simple proposition. The experiences of active duty can leave an indelible mark on some of our veterans and their loved ones. It's important that we not see our ADF veterans primarily as victims. The vast majority of former ADF members, all of whom are volunteers, are justly proud of their military service. They have made successful transitions to productive roles in Australian society, and rightly believe that military service has contributed to

their growth as humans and to their post-service roles. It would be a mistake to accept the common stereotype that the experience of operational service always leads to psychological difficulties, let alone to suicide.

The key finding of our report is not that a disproportionate number of former ADF members are at risk of suicide. Rather, it's that we currently have an inadequate infrastructure of support for those who are at risk. An accurate assessment of the impact of military service on the mental health of our veterans, and the provision of appropriate services for them, is a pressing issue – something that we need to address, now. The report shows that we can do a much better job of fulfilling our responsibilities to our veterans. Every suicide among former ADF

members, whatever its cause, is a reminder of our obligation to protect those who have protected us. The Committee heard about the sense of futility that faces some veterans upon being discharged. We heard about the trauma that can arise from living and working in a war zone. Perhaps most tellingly, we heard about the sense of abandonment felt by some veterans and their families upon their return. We heard veterans characterise their post-service life as being "the most difficult and challenging period of their lives." We heard from Bonny Perry, whose husband took his life two years after being medically evacuated out of Afghanistan. Bonny's sense of frustration was so clear in her testimony, as she spoke of her husband's seven previous suicide attempts. She felt that Defence was severely under-resourced and incapable of coping

with the complex mental health While we are happy to needs of veterans and ex-service say 'Lest we forget' on personnel, and that it had failed in its responsibilities to service **Anzac Day in honour of** people and their families. In her those who gave their lives words: "Defence brings these in our service, sadly people back broken, hands sometimes we do forget. them over to a family that have no idea what to do with them, Particularly, we forget the and we are left on our own. I welfare of our military had to be a mother, a wife, and veterans upon return from work full time and I had no idea to how to cope with what I was active service or leave the given." defence forces.

> **Burgess** Jason combined total of 14 years in the ADF, and was deployed twice to Timor and once to Iraq. Upon his return from Iraq, he attempted twice to take his life. To be told that you will never be able to work again due to your physical or mental illness, and then to have your pay cut, and so to not be able to afford to support yourself or your family, is enough to break people, and will lead them to suicide. Mental health treatment is now available free of charge to all veterans and ex-service personnel, unlimited by budget. The government has allocated \$192 million over the next four years in addition to the \$187 million that the Department of Veterans' Affairs (DVA) spends each year providing mental health support to veterans and their families. However, as Peggy Brown, chief executive of the National Mental Health Commission says, barriers exist that

prevent some members of the ADF from accessing suicide services, including the stigma attached to mental health issues, the culture within the ADF, and the perception that seeking treatment could have a negative impact on career progression.

The Committee's report presents a number of recommendations which we hope will go some way to addressing the current shortfalls in the system. In the short term, we recommend that the Government continue to support and fund the 'Veteran-Centric Reform' program in DVA.

Much of the evidence that we heard over the course of the inquiry was related to veterans' experiences with DVA. We were saddened to hear veterans say that they would rather fight the Taliban than DVA. Our recommendations concern the streamlining of administration in DVA, reducing the backlog of clients, and increasing the capability and training of staff at DVA to deal with mental health conditions and complex health concerns. Our recommendations also address the need to improve engagement with younger veterans.

Other short-term recommendations include targeted programs addressing issues in the transition of veterans to civilian life, and more appropriate interactions with both mental health service providers and alternative therapies for veterans with mental health conditions, including compelling reasoning around the benefit that therapy animals bring. I would like to pay tribute to the organisation Ruff Love Assistance Dogs, and the veterans who came to the Brisbane hearings earlier this year with their very beautiful dogs and whom it is impossible to forget. During the afternoon tea break, the veterans introduced me to their dogs; one told me that he had thought about killing himself many



times, but he always worried about who would feed his dog the next morning. We also recommend that all transitioning ADF members should be provided with a DVA White Card to facilitate access to non-liability health care, to provide identification as a veteran, and to aid in data collection. In the medium term, we recommend that a national veteran suicide register be established, and that the Federal government commission an independent study into the mental health impacts of the claims processes. In relation to the transition to civilian life, we recommend that there be an option in the Career Transition Assistance Scheme that allows veterans undertake a period of work experience with an outside employer. We recommend that Australian Public Service Commission conduct a review into mechanisms to support the public sector employment of veterans. We also recommend that the Government improve access to support services, by supporting the Veterans and Veterans Families Counselling Service to create and maintain a public database of support services. In the longer term, the Committee recommends that the legal and administrative complexity of the legislative framework be addressed through a review by the Productivity Commission with a view to simplifying the system. We further recommend that a Bureau of Veterans' Advocates be established, modelled on the Bureau of Pensions Advocates in Canada, to advocate on behalf of veterans in their interactions with DVA. The committee has recognised the substantial support that the Australian Government has shown for the reform of the DVA and legislative frameworks to improve the experiences of veterans. But it's evident that there are significant improvements that must be made to the system before we can really address the problem of suicide among our ex-service personnel.

This report is an example of the valuable work on sensitive policy areas of Senate committees, working in a non-partisan way. Its recommendations are well-supported by those most directly affected – veterans and their families. We have a large and growing population of young veterans, so this issue is not going to go away. Every suicide among our ex-service men and women is not only a personal tragedy; it is also an irreparable loss to the Australian community. I hope the current government adopts and implements all the Committee's recommendations. If they don't, I will be urging a future Labor government to do so.

Kimberley Kitching is a Labor Senator for Victoria. This article is based on a Senate speech she gave in support of 'The Constant Battles' recommendations.

## Wayne Swan launches 'Make Australia Fair Again'

I thought I'd start with a newspaper article which I think captures both, why corporate governance in Australia is in need of a major shakeup and also why worker representation on company boards is crucial for Australia's future economic prosperity. In March of last year the Australian Financial Review gathered prominent members of the Business Council of Australia (BCA) for a round table discussion. During the discussion the now former Chief Executive of the Australian Stock Exchange, Elmer Funke Kupper, lamented Australia's current economic climate "it's almost a shame we didn't

have a deeper downturn to wake us up to the heavy lifting we're going to have to do." I couldn't believe it when I read it. One of Australia's most senior business leaders was bemoaning the fact Australia avoided the worst of the economic downturn since the Great Depression 70 years earlier.

The Great Recession or Global Financial Crisis reduced economic activity across 23 high-income countries to the point that it was the equivalent of the entire German economy simply disappearing. During the Global Financial Crisis, I sought to work

as closely as I could with senior members of the business community to develop a package, which would shield Australians from the worst effects of the global calamity. While there was some immediate public support from the business community for our stimulus package in subsequent years the BCA there was a steady stream of opposition, particularly from their new President Tony Shepherd. Their interventions masked a strong desire in sections of the business community for the cleansing power of a recession to sweep through the economy. None

however were brazen enough to declare this publicly. It was and remains a surprisingly resilient idea in some circles.

The idea of wishing a recession upon the Australian economy is morally hideous in itself but coming from the likes of Elmer Funke Kupper and the BCA who wouldn't find their jobs in danger in the event of a recession was disgrace. The BCA followed this performance up with another one earlier this year when the leadership group of the Business Council of Australia, with a combined salary of \$65 million gathered at parliament house to lobby the

Giving workers a voice
on boards isn't just a
practical proposition
- it makes economic sense.
When workers are allowed
to communicate their
demands to managers
without fear of dismissal,
or
not only can workers benefit,
but businesses can improve
their processes, benefit
from collaboration and
give employees a sense of
ownership of their work.

parliament into accepting the Turnbull government's proposed \$65 billion corporate tax cut. And doing this simultaneously with calls for lower wages. Imagine being a forklift driver, or shelf packer or a waiter who is at risk of having their penalty rates cut and you turn on the news one night and see a group of individuals who earn more in a day than you do in a year arguing for a corporate tax cut and lower wages. Imagine the rage and frustration which must fill those people when they see this. It is little wonder given this abrasive policy position and the recently

exposed behaviour of the Commonwealth Bank and BHP, two of Australia's biggest companies that trust in business is at an all-time low.

For me it is clear that Trumpification has taken a firm hold in far too many board rooms in Australia. The grotesque enlargement of executive pay and packages over the past decades has fuelled the resentment of working people towards the business community. In the United States, the average CEO is paid more than 300 times the average worker. While

the industry averages for Australia are unpublished, last year the head of the Commonwealth Bank received \$12.3 million, or the combined salary of 250 Commonwealth Bank tellers. To combat this phenomenon some have proposed enforcing higher company tax rates the higher that this pay ratio goes. Interestingly it was only when the Austrack scandal broke the the Commonwealth Bank board acted to cut bonuses for senior executives. In essence

CommBank thought they were too big to charge. They thought they were above the law and that's why only after the scandal between us and them is that this goes for public and private became public the board acted. But seriously if a chief executive has received over \$55 million in salary and bonuses how effective

is a \$2 million clawback as a form of justice? It's very clear in the case of CommBank that the Board wasn't fulfilling its oversight roll and had allowed executive salaries to spiral out of control. And this brings me to Australia Post where departing Chief Executive, Ahmed Fahour, received a \$4 million bonus simply for doing his job!

Instead of creating value and competing too many businesses have adopted a merge, purge and gouge mentality which is economically counterproductive and deeply damaging to our social cohesion. Breaking this mentality requires breaking the most powerful closed shop in the Australian economy; the directors club. To give you some idea of how insular this club is in the last 10 years, less than 15 people have been voted off ASX 200 boards out of 1500. Similarly the average incumbent ASX 200 directors get 96 per cent of the vote. If there was an outcome like that out across three parliamentary elections it would be fair to say we have an autocracy, not a democracy. Right now a board director is the safest electoral office in Australia and with a militant antiunion Turnbull government the result is worker voice being drowned out and resentment is rising. And we've seen where this road leads. Recently I asked an American friend, a 40 year veteran of the US political process, whether the rise of Donald Trump would eventually lead to a more moderate and balanced political discourse in the US. He said "No, it will only get worse." He went on to explain that increasingly we are seeing leading business figures lazily adopt positions based on populism and ideology rather than evidence-based economic analysis. And we've seen this here already with the Turnbull government's \$65 billion unfunded corporate tax cut.

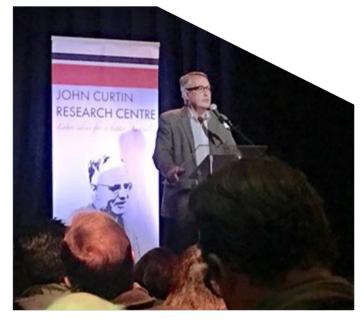
To tame this corporate excess and root out Trumpism in Australian business it is crucial that workers' voice is heard and that competition is introduced into the directors market. And I think Nick's paper hits the nail on the head - one of the quickest and most effective ways to guarantee that

The Coalition worships wealth, but the difference we respect and reward the hard work that creates it.

workers' voice is heard and ensure there are balanced views in corporate management. And boards; for example the Reserve Bank Board once included the head of the ACTU. Today all six of the RBA's non-executive

members are private company directors.

Giving workers a voice on boards isn't just a practical proposition it makes economic sense. When workers are allowed to communicate their demands to managers without fear of dismissal, not only can workers benefit, but businesses can improve their processes, benefit from collaboration and give employees a sense of ownership of their work. I believe we could also look at other models such as the one used in Sweden where leading shareholders propose a shortlist of alternative candidates for a company director positions. A similar system could be proposed in Australia and this would bust up the directors' club quick smart. Doing so would boost competitiveness in our economy and go some way to restoring balance to the share of income between labour and profit where the wage has 53 year low. Earlier this year I spoke about what policies we need



to restore balance to the division of income between labour and profit at the ACTU Congress in Sydney. For me we must build our policy around four key pillars of Australian Laborism:

- 1. Sustained full employment, defined as a level of unemployment of 3% or less.
- 2. A stronger voice for workers, codified in new rules and institutions which I think is exactly what Nick's paper identifies.
- 3. Taming corporate excess, from oligopoly power to executive pay.
- 4. Defending and advancing our world-leading progressive tax system.

But as I said to the ACTU congress we need our message to be clear, bold and credible how we as progressives will strengthen economic growth and spread opportunity. Labor's economic team of Chris Bowen, Jim Chalmers and Andrew Leigh under Bill Shorten have taken the lead on economic policy by seeking to close debt deduction loopholes and increasing ATO compliance activities. But we must continue to lead the debate and advocate

for progressive policies which show clearly and unambiguously whose side we're on.

So Nick I want to congratulate you and the Curtin Centre on this paper – it's the kind of discussion we should be having and it's certainly worth exploring and interestingly enough Theresa May is going down this path. We have to make the case that middle income consumers, not just rich people, are job creators. A broad range of middle income earners is a source of prosperity and wealth creation, not a consequence of it. If all the public hears is social justice rhetoric that the only reason to help workers is because we feel sorry for them, then that message will lose. We need to say clearly and unambiguously whose side we're on. We are not anti-wealth creation - we are anti-wealth concentration. The Coalition worships wealth, but the difference between us and them is that we respect and reward the hard work that creates it.

This is the Hon. Wayne Swan's speech at the launch of the JCRC policy essay *Make Australia Fair Again:* The Case For Employee Representation on Company Boards held at Victorian Trades Hall on August 30.



### Make Australia Fair Again

Workers on company boards can help save the Australian Way, Nick Dyrenfurth argues.

IN his iconic account of Australia's egalitarian national character, the historian Russel Ward summarised the core ethos of the 'The Australian Legend' from the viewpoint of the typical citizen: "He believes that Jack is not only as good as his master but ... probably a good deal better." Rooted in the experiences of convicts transported from Britain to the then penal colony, the struggles of itinerant rural workers, democrats and later unionised labour, colonial Australians came to believe that theirs was the land of the fair go. Their birthright was a fair day's pay for a fair day's work and equal opportunity for all. Excessive inequalities of wealth, status and power were to have no place in a New World country such as Australia.

Out of the traumatic experience of the great strikes and depression of the 1890s was fashioned the Australian way of life. Some commentators term it the post-Federation 'Australian Settlement', a means of explaining bipartisan support for commonwealth policies such as industrial arbitration, industry protection, so-called state paternalism (government intervention as per the building of a welfare state), imperial benevolence (reliance upon Britain for trade and defence) and the racially-discriminatory migration laws known as White Australia. This settlement dominated public policymaking during the twentieth century. It was not merely technocratic, but spoke to the simple human aspiration to lead a good life: decent pay, work conditions and job security, a fair say for working women and men in our workplaces and parliaments, and in the civic life of the nation.

Unions and the Labor Party institutionalised the voice of working people in the nation's life. Indeed, the Australian way was really the Labor way. For example, Australia invented the concept of the 'living wage' via the 1907 Harvester judgment of the Commonwealth Arbitration Court, a delayed response to the industrial turmoil of the previous decade. A "fair and reasonable" wage was premised on the "normal needs of the average employee regarded as a human being living in a civilized community" rather than just the dictates of company profits. Australia earned a reputation as a 'social laboratory' during this era; innovative government policies were said to be creating one of the

most egalitarian societies on earth, in stark contrast to the endemic poverty, violence and class privation of Old World Europe.

Underlying these developments was a belief that Jack was indeed as 'good as his master' in determining the nation's future. Neither God, nor enlightened politicians, has ever gifted higher wages including penalty rates for working on weekends and public holidays, sick pay, annual and long-service leave, health and safety laws, workers' compensation, unfair dismissal protection and superannuation, or the small matter of weekends. These achievements were demanded, negotiated and won. Then, as now, Australia was imperfectly egalitarian. In 1902 women won the right to vote; yet they were viewed as dependants rather than providers. Aborigines were excluded from the benefits of citizenship provided by the settlement, presumed to be doomed to extinction. The 'nomad tribes' of Ward's account - the largely unskilled, virtually homeless men of the bush and urban unskilled casuals who trawled the streets for work - were the face of Australian poverty, today's precariat. Despite further depression and recessions, two world wars, a major renovation of the Australian way after world war two, and recent dabbling in freemarket economics, our way - call it the 'fair go' or a compact between government and the people and between generations – was largely maintained.

In 2017 the Australian way of life – a fair day's pay for a fair day's work, equal opportunity for all and preventing excessive inequalities of wealth, status and power – is fraying. While we avoided the GFC's worst effects, inequality has risen to heights not seen since the early 1940s. Good, secure, well-paying jobs are being replaced by low-skill, low-wage insecure work. Less than half of Australian workers hold down a full-time jobs. 23% are employed casually. Underemployment has hit a record high of 8.6%. Wage theft is rife. Company profits remain healthy – rising by 40% in 2017 – yet wages growth is sluggish. Much of this owes to the collapse of mass unionism. In the private sector, the marginalisation of unions is pronounced, where they cover just 10% of workers. Only about 6% workers under 25 years of age belong to a union. While the union movement remains our biggest social movement, density has fallen to a historic low of around 15 per cent and is increasingly centred on the public sector and community services. The defeat of Howard's *WorkChoices* legislation at the 2007 election, replaced by the Rudd government's *Fair Work Act*, has not turned back the tide. An out-of-date enterprise bargaining system combined with weaker unions hurts workers and the overall economy. As the former Deputy Prime Minister and Treasurer Wayne Swan argues: "It's no coincidence that both union

membership and workers' share of income are at their lowest levels in at least 60 years." Indeed, this is a global trend. A 2015 International Monetary Fund study of advanced economies found strong evidence that the erosion of labour market institutions such as unions is associated with increasing inequality: income weakening of unions contributed to the rise of top earners' income shares and less redistribution, and eroding minimum wages overall inequality increased considerably." Thus the fruits of twenty-six years of continuous, record economic growth have not been shared equally, which is bad for working people, bad for the economy, and bad for democracy, encouraging extremist politics. Australia's anaemic post-GFC recovery is being hampered by

rising inequality and social immobility, putting a brake on growth and productivity. In any case, our world-beating growth numbers belie a more fragile outlook. Productive investment is poor. Exports are less diversified than any time since the 1950s.

internationally-recognised Once social an laboratory we risk becoming an inequality Petri dish. In response to the unmaking of the Australian way, what is needed is a new politics of the common good and a new settlement for our times. What can we do? The Universal Basic Income is not the solution - individualising the problem and fostering welfare dependency. Readdressing the imbalance in bargaining power between employees and employers is vital and reasserting the role of unions and collective bargaining in wage negotiations is an obvious approach. We need to make collective, enterprise bargaining fair and relevant to the times rather than the 1990s. None of this will occur overnight, or by accident. A fairer say for employees in our workplaces and a fairer share of the economic pie entails more innovative solutions.

To save the Australian way a new policy settlement is required. Australians are keen to see more bipartisanship and cooperation, and not just in politics. To address the big challenges facing our country we need a workplace and corporate culture fit for purpose in the twenty-first century. We must re-create a resilient pro-business, pro-worker framework which prizes profit and productivity as much as cooperation and fairness. We need to recreate institutions to sustain a high-growth, high-skill and high-wage

economy tailored towards the long-run, not sustained by ephemeral mining and property booms, or which relies upon lazy, counter-productive measures such as cutting wages. In the age of Uber, one idea, drawn from Germany, is to encourage and, if need be, legislate for employee representatives on company boards. The post-1948

West German 'economic miracle' a misnomer. Sustained German prosperity was not some accident, but the product determined cooperation between government, business and workers. Beginning in the early 1950s, a legislated system of works councils (Betriebsrat) – the committees that can be formed to represent all employees at an enterprise level - employee

representation on company boards (codetermination or Mitbestimmung), vocational regulation of entry into the labour market, and stress on regional banking and investment in long-run profitable businesses rather than short-term speculation, has made Germany's economy dynamic and resilient and its society more egalitarian and democratic. The centrepiece of its social market economy, the German Codetermination Act (Mitbestimmungsgesetz) of 1951 is part of its corporate furniture. The codetermination principle is simple: for the good of all, workers must have a fair say in the governance of the companies they make productive and profitable. Social market measures have been maintained by both sides of German politics and enjoy wide support from the populace. They were originally legislated for by the conservative Christian Democratic government of Konrad Adenauer. The social market was crucial to the post-war economic success story of West Germany. Its bipartisanship and resilience has meant that even though the centre-left Social Democratic Party has suffered a significant decline, the institutions which protect workers have endured.

Whereas Australia has a unitary board structure, Germany boasts a two-tier system of supervisory and management boards. The German One-Third Participation Act allocates one-third of supervisory board seats to employee representatives for companies with between 500 and 2,000 employees. A company of over 2000 employees ensures just under one half of seats. Half of the supervisory board members of Germany's largest corporations — think Siemens, BMW and Daimler — are elected by their workforces. The supervisory board is tasked with overseeing company strategy and is responsible for appointing the management board which oversees day-to-day operations. Neither board can interfere with each other's operations and typically work together in a spirit of collaboration.

Codetermination draws on the irreplaceable shopfloor knowledge of a company's workforce. Conflict between management and workers is reduced and communication channels are vastly improved. Workers have a better, more strategic say and employees receive a fairer distribution of profits by virtue of increased bargaining power of workers at the expense of owners. In turn management gets a better sense of what actually works on the shopfloor. There is less resistance to technological and structural change. Directors are drawn from a wider social and professional circle. All this promotes long-term decision-making, making for better-paid, more productive and safer workplaces, and improving the transparency of information for investors, workers and consumers. One study of 25 EU countries found that countries with stronger worker participation rights perform better in terms of labour productivity, R&D intensity, and had lower strike rates; another examining the association between codetermination and inequality (measured using the Gini index) in OECD countries discovered lower income inequality in countries with codetermination. This is a pro-business and pro-worker model that puts power directly in people's hands, because employee and employers are given incentives and empowered to shape *and* share the same long-term goals and policies. By contrast, with the emergence of what is known as Industry 4.0, Australia risks creating a technologicaldeterminist dystopia unless issues of genuine worker involvement are addressed.

While Europe and much of the developed world has struggled to emerge from the shadows of the GFC, and Britain is convulsed by Brexit, the resilience of the German economy is striking. Germany's economy expanded 0.6 per cent in the first quarter of this year, twice the pace of Britain and more than three times that of the US. The current unemployment rate is

just 3.9%, lower than almost all developed countries. Last year, Germany's trade surplus was came in at 8.3% of GDP, far larger than China's. Germany has largely bucked the developed world trend of steady losses of well-paid blue-collar jobs to automation and to cheaper imports, notably from China. Whereas our manufacturing industry lies in tatters, Germany's government-subsidised equivalent has made it the world's third-largest exporter. Germany's manufacturing sector is twice the size of Britain's – 23% of national GDP, compared with 11%, according to the World Bank, and dwarfs that of Australia, where its value-added proportion fallen to 6.8%. In 2016, Volkswagen replaced Toyota as the world's largest car manufacturer in the near future.

Though inequality has increased in Germany over the past two decades, as it has in most developed economies, the increase has not been as pronounced as, for instance, in Britain. This did not happen by accident. The case of Volkswagen is instructive. Britain's High Pay Centre issued a report on workers representation which featured interviews with a number of German board members – both employee directors and shareholder representatives. During the financial crisis, a long-term perspective rather than the views of short-termist shareholders and managers ensured Volkswagen focused on protecting jobs, reaching an agreement with the workforce to reduce working hours, but avoiding layoffs. As the economy recovered, existing workers were able to increase their hours, saving the company money on training and recruitment costs. Excessive executive pay was also reined in. The supervisory board at Volkswagen secured a significant reduction in CEO Martin Winterkorn's pay package in 2013 after a public outcry the previous year. Instructively, the High Pay Centre report noted that interviewees from a management background were equally supportive of worker representation on boards.

Can codetermination work in Australia? This is to ask the wrong question; rather how will our future economy function without this meaningful voice for working people? Employee representation would improve boardroom diversity by incorporating employee voices and raise profits through greater productivity better products and less strikes. As Professor Roy Green's work into High Performance Workplace demonstrates, Australia performs poorly in management capability, because of inadequate workplace collaboration Workers would enjoy higher wages and better, more secure working conditions. Codetermination can militate against financial difficulties leading to the sudden collapse of firms as has been the recent case with steelmaker Arrium and previously HIH and One-Tel, whereby employees and unions are blindsided through a lack

of information. It can help prevent companies from disregarding their social responsibilities, for example the conduct of James Hardie, which restructured its operations in 2001 to avoid paying compensation to victims of exposure to asbestos products. This would benefit both employees and shareholders - the latter group were exposed to larger liabilities, falling profit rates and higher legal fees as a result of the board's actions. It can tackle the problem of excessive CEO salaries that don't align with performance. Employee representation on boards and specifically company remuneration committees could tackle this issue at root. These outcomes would each restore public trust in corporate Australia.

How specifically could the system be implemented? One method of introducing employee representation on boards might be for government-owned entities to lead by example, as per the case of Australia Post. There is no reason that essential services such as water, gas and electricity companies could not be

subject to a compulsory model employee representation given that state governments currently appoint directors to their boards. Monopolies such as public transport are also a logical testing ground. Wayne Swan has rightly argued that the

Reserve Bank should again have ACTU representation at the board level. More creative possibilities exist. In a persuasive essay in *The Tocsin*, Paul Sakkal mad the case for a form of supporter codetermination in our sporting codes based on the example of the Bundesliga, Germany's top-tier football competition: Bundesliga, the nation's top-tier football competition, is the envy of European football. It averages over 6,000 more attendees to each game than the world famous English Premier League. Despite recording revenues less than a third of the EPL, its clubs set ticket prices at a far lower rate. Clubs restrict season ticket holders to 10 per cent to ensure wealthier supporters cannot price out those with less capital. The Bundesliga's average cheapest match day ticket is almost three times cheaper than that of the EPL."

Moving beyond government-owned entities and these examples, the question arises as to how private and public-listed companies might be encouraged to take up employee representation. As a first measure it is proposed that a business, labour and government roundtable be established to explore the possibilities of building a consensus workplace and corporate law fit for purpose in the twenty-first century and specifically consider employee representation. If consensus was reached this could serve as the basis of a mandate to create specific models of representation. It is recommended that two models be implemented for non-government owned entities with at least one elected employee representative sitting on the board of companies defined as 'large' according to Australian Tax Office guidelines (i.e. those with annual turnover greater than \$250m).

- Compulsion, whereby Australian corporate law is altered to mandate employee representation. This could be based upon company size according to numbers of employees and/or annual turnover. This is perhaps the least feasible option.
- Voluntary, opt-in models contingent upon company size according to employee numbers or turnover. This is the most feasible model, which could be incentivised by offering highlytargeted tax concessions, vocational training subsidies or a phased-in lower corporate taxation for opt-in businesses. Given the current state of the commonwealth budget the latter option is undesirable, however a

conversation longer-term companies codetermination

not envisaged that either model would apply to small-sized businesses.

about taking up return for lower taxation should not be ruled out. It could also be enabled by its allowance in industry-level bargaining agreements. It is

Furthermore, codetermination would be best implemented in Australia if accompanied by a more systematic establishment of enterprise-level networks of work councils. Here, too, the opportunities arising out of such a system are beneficial to labour institutions. Employee representation is a perfect means of training future generations of leaders; the best, brightest and most passionate, schooled on the shopfloor and at work in the boardroom. And we already have a form of codetermination in place: it's called superannuation where employee representatives sit on not-for-profit, industry fund trustee boards with employers. These funds have provided above average investment returns to members as well as investing in quality long-term infrastructure investments. Buttressed by industry funds we have built one of the largest and most productive pools of savings in the world in just a quarter of a century.

Employee representation can help fix so many of the problems confronting Australia: most notably records levels of inequality, and a declining share of profits accruing to wage and salary earners. It might transform a business culture defined by short termism, low productivity and shoddy productive investment. This nation-building reform can help

To address the big challenges

facing our country we need a

workplace and corporate

culture fit for purpose in the

twenty-first century.

us grapple with the opportunities and challenges presented by the unfolding technological revolution and a new machine age of robotics and automation. It is a new consensus politics led by everyday working Australians – a means of building a policy settlement in the manner of the early nineteenth century, our post-World War Two Keynesian bipartisanship and modernising Accord years of the Hawke-Keating Labor governments – fit for purpose in the twenty-first century.

It is a logical step for a Labor Party which under Bill Shorten's leadership has eschewed small-target politics and moved on from seeking to ape the reform agenda of the Hawke-Keating years. Post-GFC politics, where the national political agenda is not dominated by cutting personal taxes courtesy of a cashed-up government, but a precarious economy and socio-economic immobility, signals that the times might suit Labor. Granted, Labor has formed majority national government twice in the last 25 years: in 1993 when Paul Keating destroyed John Hewson's plans for a GST and in 2007 when the Kevin Rudd-led ALP neutralised the Coalition's advantage in matters economic and unions mobilised in the unprecedented Your Rights at Work campaign. Moving the economic debate onto Labor's territory by thinking about the nature of the workforce and economy our country needs is a natural extension of Labor's post-2013 policy work and bold campaigning on jobs and economic security.

The times should suit Labor, but only if it grasps a historic opportunity to shape a new settlement, to build a modern, thriving and diverse economy that creates and sustains well-paid, secured jobs in a globalised world. The opportunity to redraw the lines of our national settlement presents to very few generations. The settlements of the 1900s, 1940s and 1980s were spaced forty years apart and responded to events of the decade and more previously. In an environment shaped by the GFC and the twin effects of globalisation and technological change, the time for a new settlement is now. This task is not just necessary for the present population, but essential to the wellbeing of future generations. Renewing a politics of the common good means drawing on the Australian way - a dynamic market economy underpinned by our traditional ethos of a fair say and a fair go for working people. Yet it's also time to look overseas to refresh our national heritage, namely Germany. Or are Jack and Jill no longer as good as their masters?

This is an extract from Nick Dyrenfurth's JCRC policy essay, Make Australia Fair Again: the Case for Employee Representation on Company Boards.

### A Tocsin for our times

Senator Kim Carr launches our new magazine

THE Tocsin revives the name of a great socialist and labour movement newspaper of the Federation era. But this is not an exercise in nostalgia. Ours is a party that has always been keenly aware of its history. It is the longest continuous history of any Australian political party. Labor people know that we must constantly adapt to circumstances, finding new policies to suit the times, ensuring that old principles of fairness are preserved as society and working conditions change. But we also know that policy ideas don't appear fully formed from a vacuum. You can't invent something out of nothing. We adapt successfully because we are the bearers of a tradition. A living and dynamic tradition, dedicated to creating dignity and opportunity for all Australians. It is a creative exchange with the past that guides us in shaping the future. All the great Labor leaders have understood that. John Curtin certainly

did. As Nick Dyrenfurth says in the first editorial of this new *Tocsin*, Curtin was always immersed in the battle of ideas.

Curtin was a self-educated man, from a workingclass family. He became the secretary of the Timber Workers Union, and was a member of the Victorian Socialist Party as well as the ALP. He understood the importance of industrial politics. For Curtin the battle of ideas was never something remote from the daily lives of the people Labor represents. On the contrary, it was about their lives. It emerged from their struggle to build a better life for themselves and their children. That's why it is appropriate that this newest of Labor research centres bears Curtin's name. And it is appropriate that the centre's journal bears the name of a newspaper Curtin wrote for as a young journalist.

Some people have questioned whether there is a need for another social-democratic research organisation. The Australian newspaper, always keen to portray every slightly raised eyebrow as a split in the party, has devoted some space to those anonymous questioners. But it is surely a very odd question for anyone to ask. Does anyone really think that the ferment of ideas and debate is a bad thing? Does anyone really think that a party that shunned the vigorous exchange of ideas is likely to have a future? So why should anyone have a problem with adding to the exchange? It should also be recognised that the John Curtin Research Centre won't be replicating what happens at the Chifley Centre, the McKell Institute, or the Evatt Foundation. Like all of those esteemed

organisations, the Curtin Centre has a national reach. But unlike them, it is based in Victoria. I am not being a parochial Victorian when I say that it is good to have a Labor research centre that is not based in NSW or the ACT. The great Labor tradition we share is not a single stream, as we all know well. Like the River Murray, it has many tributaries. And the view from south of the Murray is not always the same as the view from the other side. The political culture of Victorian Labor is different. So it was his politics here, built such an effective partnership with Ben Chifley, a product of the Labor Party in NSW. That difference

of perspectives is not something to be afraid of. Nor, despite what might be written in *The Australian* from time to time, is it likely to cause a fourth great split in the party. It is simply something that will enrich the party's debates and deliberations. And it is essential that we do not shrink from engaging anew in the contest of ideas.

In some quarters, it has become fashionable to say that social democracy is an outmoded ideal. That it has failed. That is an insider view of politics, which took hold in Western democracies after the end of the Cold War. It produced a supposed consensus about the inevitable triumph of liberal democracy and freemarket economics. A supposed consensus, because it only really took hold among political elites. As we have seen in many places around the world recently, ordinary voters do not share the blind faith in the virtues of markets exhibited by the liberal elites. Ordinary people's experience of life demonstrated

that markets can't be trusted to produce equitable outcomes by themselves. Nor efficient outcomes, for that matter. We live in a time when the neoliberal assumption that a rising tide floats all boats is being comprehensively refuted. That econocrat's dream is simply not the empirical experience of everyday life. Increasing numbers of people are not sharing in the benefits of growth. Inequality is increasing, and that in turn is retarding economic prosperity. Low wages growth, and the replacement of full-time, secure jobs by precarious casual employment, are not only bad for the people whose living standards are eroded. They are bad for the wider economy, too, because people have less to spend. That isn't rocket science, but it seems to have eluded many of the elites who adhered to the neoliberal 'consensus'. It has left them confused and even angry at the rejection of neoliberalism

The Tocsin revives the name of a great socialist and labour movement newspaper of the Federation era. But this is not an exercise in nostalgia. Ours is a party that has always been keenly aware of its history. It is the longest continuous history of any Australian political party. Labor people know that we must constantly adapt to circumstances, finding new policies to suit the that John Curtin, who formed times, ensuring that old principles of fairness are preserved as society and working conditions change.

across the democratic world. We have seen this most recently in the reaction of many media commentators, some of whom work in this building, to the UK election result. When Theresa May called the UK election, the almost universal view among the commentariat, in Britain and elsewhere, was that the result would be an overwhelming Tory victory. The commentators derided the Labour leader's suggestion that essential services worked better in public hands. Some even confidently predicted the demise of the UK Labour Party. It didn't happen. Instead, government lost May's majority. To survive, she has had to seek support from a Northern

Irish unionist party that is well to the right of the UK mainstream. Whereas "unelectable" Jeremy Corbyn, whom the commentators had expected to lead UK Labour to oblivion, has instead reinvigorated it. He did so by reconnecting with ordinary voters. And he did that with a platform that shredded the neoliberal consensus. He campaigned on the need to restore utilities to public ownership. On the need for extensive public investment in education and health care. On the need for a social security system that doesn't punish people for being poor. And above all, on the need for an active role for government in the economy. On the need for government that facilitates the task of economic development, that builds capacity and social prosperity. And which acts to ensure that all have an opportunity to share in the benefits flowing from that task. Corbyn, the outsider, understood what the smug liberal insiders chose not to see.

It has been suggested that the Australian Labor

Party could follow the British Labour's example; I reiterate that Australian Labor doesn't need to follow anyone. Last year's federal election shows that we are way ahead in responding to public disengagement. At this time, Australian Labor is one of the most successful social democratic parties in the world. We have to recognise the UK election was not an isolated instance, of course. Parallels can be drawn with the campaign of Bernie Sanders for the Democratic nomination for the US presidency. Sanders was also dismissed by commentators as an irrelevant old leftist whom the world had passed by. The response among younger voters to Sanders, like the response of younger voters to Corbyn, showed that it was those very commentators who were irrelevant.

The capacity of politics to inspire young people is an argument I made in A Letter to Generation Next: Why Labor. Of course, the Corbyns and the Sanders are not the only examples of outsider politicians unravelling the cosy world view of neoliberal insiders. There are far more insidious examples: Trump in the US, Le Pen in France, and resurgent Hansonism here in Australia. Liberal elites like to portray the push back against their world view as deriving only from the xenophobic nationalism represented by these outsiders of the right. That is another instance of the failure of the commentariat to test their views against reality. The Trumps, Le Pens and Hansons are a threat nonetheless. Their rise has been one response to the appearance of the so-called precariat. In workingclass communities everywhere, dependence on casual employment is increasing as full-time jobs disappear. The training system has collapsed as a result of privatisation, robbing these precarious workers of skills. Precarious workers are harder to organise industrially, and tend to lose contact with the labour movement and the ethos of social democracy. They become more vulnerable to the fears and fantasies incited by xenophobes. The challenge for social-



democratic politics is to show that the xenophobic response to the failures of neoliberalism is false, and dangerous. To show that the answer is not to spread hatred and to scapegoat minorities. The real answer is to respond directly to the inequality that is the root cause of our present discontents. That is something the neoliberals can never do.

But we can, if we do not lose our connection with ordinary voters – especially in blue-collar communities. In this country, governments are not made and unmade in the inner cities. They are made in the outer suburbs and regional towns. That is a lesson Malcolm Turnbull never learned. I have long advocated the importance of industry and innovation policy. Not only because of their importance for the economy. But also because they are the key to building an inclusive social democracy and restoring the legitimacy of the state. A society in which science, and all the achievements of modernity, are enlisted in the project of building a better world.

The new *Tocsin* is appearing at a time of great opportunity for social-democratic politics. I trust *The* Tocsin will draw upon the best in international experience. For instance, the approach that the Germans are taking to manufacturing demonstrates that we don't have to accept market fatalism when it comes to the destruction of manufacturing jobs. The contents of this first edition show that Labor thinkers are aware of, and engaged with, the anxieties of the precariat. In the contribution by Kosmos Samaras on working-class voters, for example. Or in the recognition of the importance of the John Curtin Research Centre's work that is expressed in the report of Bill Shorten's launch speech. Or Misha Zelinsky's paper on housing policy. And in a different way, in the contribution of a great historian of working-class Australia, Janet McCalman. Her lecture to the John Curtin Research Centre, published in this edition of *The Tocsin*, is a reminder that the precariat is a new name for an old phenomenon. Full-time, secure jobs were not always the norm. Like the eight hour day and the weekend, they were in large part the creation of effective trade unions and social-democratic political parties that secured full employment and reduced inequality. What we are now seeing is not so much the rise of the precariat as the *return* of the precariat. The period of deregulation and privatisation has led to the re-creation of an old social and economic order. But not necessarily an old political order. It is up to us to find new answers to old injustices. To build a richer, fairer, greener Australia. The Tocsin will be part of the search for those answers, and I am delighted to declare it well and truly launched.

This is Senator Kim Carr's address at the launch of The Tocsin in Canberra on 14 June.

### A Fair Go for interns

Clara Jordan-Baird on fair internships in Australia

ONE of the next key battlegrounds for worker's rights is taking shape across Australian workplaces. But this time the workers in question aren't fighting for levels of pay, stability or overtime - they're fighting to be recognised as workers at all.

You may have come across them as they start to dot workplaces across Australia: making coffees, drafting briefs and contributing to the workplaces around them. They're interns, undertaking placements in workplaces and other organisations for a fixed period of time; sometimes paid, often not. They're becoming a fixture in media outlets, not-for-profits and businesses across Australia and if we're not careful, they will rewrite the rules of our workforce.

Internships have been a rite of passage for young people across the United States and Europe for some time, with 'Jay the Intern' making appearances on US late night talk shows and new interns flooding the cheap accommodation (and pubs) across Geneva. It is only in the last five to ten years that we've started to see interns enter into Australian workforces, and the statistics on how rapidly they're spreading are alarming.

A major study conducted by the Department of Employment in 2016 looked at instances of unpaid work experience in Australia over the past five years and found that 34% of Australians had done unpaid work experience and for Australians under 30, that figure rises to 58%. Talk to any recent university graduate and they have either done an internship, have friends who are interning or are looking for one - that's where issues start to arise.

The problem with the majority of internships is that they are unpaid - and the intern has no idea of what their legal rights are. Paid interns are recognised as employees by the relevant legislation, the *Fair Work Act 2009* (Cth) and this is readily reflected in our workplaces. Interns undertaking a placement for educational credit (such as a university subject) are deemed under the Act to be on a 'vocational placement' and so will not be entitled to recognition as an employee, although it's not clear cut. But what of the intern not working for course credit or receiving pay cheques? What are their rights? The law is less

clear. Recent Federal Court case law suggests that where the unpaid intern is performing productive work, they are in an employment relationship and so acquire all the rights of employees. However, there has been no determinative ruling from the judicial system. And where the law isn't easy to follow, interns slip through the cracks – unaware of what their rights are, and willing to put up with anything in the hopes of getting a job.

Unfortunately, keeping your head down doesn't always have the payoff interns hope for. More than half of respondents to the Department of Employment study said they were performing the same tasks as regular employees, yet only 27% of workers went on to receive a job with the same employer. This is in line with recent research by Interns Australia, which found that just 19% of unpaid interns received a job with the same employer. With youth unemployment at record highs, we're seeing more and more young workers desperate to get their foot in the door, but also the rise of unscrupulous organisations happy to give them that opportunity, but without the pay cheque that they've worked for and are entitled to.

The consequences of this are more than just young workers heading home after a long day's work for free. Internships transform our industries: if the only way to get a start in a workplace is as an unpaid intern, entry level workers in that industry are expected to be 'trained' before getting their first job. There's a gendered element too - our most recent Interns Australia research reveals the majority of Australian interns are women. Of most concern, it has a lasting impact on equality in our society. If the most coveted jobs require an unpaid internship on the CV, the only ones who will get those jobs are those who can do internships: those who can afford to work for free.

Internships aren't entrenched in Australian workplaces just yet. We still have time before unregulated unpaid internships become the norm. Paying interns as employees is the first step, and it's something Interns Australia strongly advocates for. But the solution isn't as simple as banning unpaid internships. The majority of interns experience satisfaction with their placements, even if they also

support interns being paid. To force all those interns to become employees risks the disappearance of a number of internships that do provide benefit to those who do them – so complex solutions are required for a complex problem.

The first step is a national inquiry into internships - so that everyone can have a say on how to best protect interns rights. Getting input from business, government and (most importantly) the interns themselves will ensure that workplace protections for interns are lasting, and the issue doesn't become a political football for generations to come. In doing so, we must look at creating a new status of worker – that of the 'intern' – which has some of the rights of workers but is in a different category to an employee. A business taking on an intern should know exactly that their responsibilities towards the intern are, and the interns should know their entitlements.

Such protection is best achieved through the creation of a national framework for interns in which the internship is regulated by government and dodgy internships can be weeded out of existence. Under this national internship framework, all interns would be entitled to payment for their work, whether by the organisation that hires them, or through a government grant, because if internships are real training opportunities offered by organisations recognised as charities, government funding could allow the internships to be offered, while allowing the interns to be paid for the experience. It's a model that requires the input of all stakeholders to be truly effective, but it's one which goes some way to ensuring internships

are fair and beneficial to all involved and that a prized internship doesn't become another byword for worker exploitation.

If you have a brother, daughter, or friend doing an internship, or have done one yourself, we need you to join the ranks of those demanding a fair go for interns around Australia. Write to your MP demanding a national inquiry. Talk to your friends and family. And support the work of Interns Australia by signing up to our quarterly update, liking us on Facebook, or following us on Twitter - we'll need every foot soldier in our front lines to ensure fair internships for all.

Clara Jordan-Baird was the National Policy Director of Interns Australia, the peak body representing workers undertaking internships and work placements in Australia. This piece is published with the permission of the Jordan-Baird family.



## Seizing our Republican moment

Michael Cooney argues that a Republic can solve many of our political problems

AT the end of his address to the Australian Republic Movement's gala dinner in July, Bill Shorten pointed up to the dome of the Royal Exhibition Building in Melbourne and a thousand heads turned roofward. Having announced that, by the end of his first term, if elected Prime Minister, he would deliver a national vote on whether Australia should become a republic, the Opposition Leader read aloud the words painted there at the time of Federation: *Carpe Diem*.

In what will be remembered as a historic Labor

speech, the Labor leader absolutely seized the day. The key to the success of the argument outlined by Bill Shorten in Melbourne on 29 July is also the key to the future success of the case for change as a whole. He spoke as a Labor leader, but to the whole of Australia. His argument was authentic and values-based, but inclusive. Yes, the republic is a cause which has always rung like a bell in Labor ears, and it can clearly be argued on conventionally Laborite – and Laborist – terms of equality and a fair go. Yes,

the institution in Australia of the English monarchy is completely contrary to the patriotic, egalitarian and rational instincts of Australia's original political party. Labor knows no other country. A classless society cannot have a crown. The hereditary principle is absurd. Yes, and. And a winning campaign for constitutional change has to be a campaign which

persuades the nation, not a section. Persuading Australians to make the change to an Australian head of state requires persuading Australians outside the Labor tribe. The argument for an Australian head of state can't rely only on the traditional elements that sound right and feel good on the inside.

Rather, the republican argument has embrace to prudent conservative patriots who have perhaps long been Australian republic than by the republican movement. This is essential to building bipartisan leadership which will enable the question to be put, but it's not the hard bit. The hard bit is reaching people who identify simply as Australians, unattached to the parties and unenchanted by the leaders.

In this respect, getting the argument for a republic to work isn't about moving it across the political spectrum from left to centre (or right). Getting the argument to work is about moving it off the baseline of ideas and generalisations and into the real field of meaning, to come to grips with practical problems in politics. Republicans do not need a new way of describing the solution, we need a new way of describing the problem to everyday Australians. The great thing is, the problem is all around us; the problem is politics.

In hindsight, the most hilarious element of the debate about an Australian head of state that took place last century is the idea that people could win on the argument 'if it ain't broke, don't fix it'. That was Australian politics they were talking about. The past is a foreign country. There is now a massive opening for republicans, whether red blue or another political colour, to argue that we have a problem. First, politics as usual isn't working; the relationship between the state and society, government and the governed, is being genuinely destabilised by the fragility of the Prime Ministership, the eclipse of the Governor-Generalship and the alien absence of the royalty.

We must make an inclusive patriotic case for inclusive patriotic institutions, and we must do it today. If we're ever going to stop telling our people to go back where they came from, we just can't afford to have a head of state who visits any more. The absence of a more persuaded by the idea of an dignified, prestigious element to be Australian - language in Australian politics, paradoxically of the kind provided in the UK by the Queen, is a serious problem for our country; a problem an neither as Labor or Liberal, but Australian Republic can solve.

Not changing is the greatest risk to our future stability. Second, the visible symbols of our nation are symbols of division, like the Prime Ministership, and symbols of exclusion and privilege, like the rovalty. This a really serious problem. We've all laughed at the idea of disqualifying Senators and MPs for dual citizenship when the head of state is a Pom. But it's so much more serious than that. Our society is being ripped apart over what it means tests, values debates, religious freedoms – because the symbols of patriotism just don't work. They don't include enough people, and they are falling into the hands of people who are pleased that's the case.

We must make an inclusive patriotic case for inclusive patriotic institutions, and we must do it today. If we're ever going to stop telling our people to go back where they came from, we just can't afford to have a head of state who *visits* any more. The absence of a dignified, prestigious element in Australian politics, paradoxically of the kind provided in the UK by the Queen, is a serious problem for our country; a problem an Australian Republic can solve. This problem is an opportunity for any leader committed to change - Labor or Liberal - because now the case for change need not rely on ideology, but on an assessment of the facts of the day. A deductive case, rather than inductive one, is open to be made. Carpe diem.

Michael Cooney is the National Director of the Australian Republic Movement. He was speechwriter to Prime Minister Julia Gillard and is author of The Gillard Project.

### Getting to know...

### Tell us about your working life

I started my career as a Doctor in 1985 and since then have been actively involved in the health sector first practicing medicine and over the last 17 years more in Administration and business development within General Practice. Over the last 17 years I have also been involved in a variety of private and publicly listed companies in health and technology, served on a variety of state government enterprises during the period 2000-2011, a variety of what could be defined as entrepreneurial activities and currently do some work in the emerging medicinal Cannabis space.

#### Why did you get involved in the JCRC?

I had been thinking about a Labor orientated thinktank for the past 3 or so years that was focussed
on practical policy issues that affected Australians.
Work, employment, housing affordability, health care
affordability, educational affordability and a growing
national debt that this country and the next or coming
generations neither can afford nor should have the
responsibility of solving. Issues that would and will
affect my own children as they transitioned from
school to work. The issues seemed to be getting
more and more complex and which were not
receiving sufficient attention. Then Nick
approached me with the same
thoughts and ideas and here
was a match!

John Curtin Research Centre Chair, **Dr Henry Pinskier** 

#### Why did you join the ALP?

I joined the ALP in 1983 at the age of 23 having been brought up in a strong, politically active Jewish social democratic family where my father and my grandfather - my father's father - had both been members of the Jewish Labor Bund in Poland and where my father's father was also a trade unionist in the shoe makers' union. In the 1940s, 50s and 60s other members of my family in the United States were members and officials of the International Ladies Garment Workers union. I never knew my father's family – grandparents, aunties and uncles were all murdered in the holocaust. My mother's family largely survived the Holocaust and my mother's father believed in communism in Poland and in the early years in Australia until he came to understand the brutality of Stalin. My father joined the Australian Labor Party in the 1950s in the first ethnic branch after coming to Australia with my mum following the Second World War. It was as natural to me to be part of Labor as growing up supporting a footy team. The Labor Party values were my values, the Jewish Social Democratic values of my family and of my youth. Since joining the Labor Party I have been a branch secretary, a branch treasurer, a member of and Chaired the ALP's Health and Community Services Policy committee, a member of the National Policy Committee, State and Federal Conference delegate and I served a term as Vice-President of the Victorian ALP.

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#### Tell us more about your work around medical cannabis

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This is a fascinating area because it combines my interest in health, business development activities and the opportunity to make a difference in health outcomes. The benefits of treatment using plant based therapies that have been around for a long time both intrigues and excites.

I have suffered chronic leg pain since injuring my back in 2009 and after a number of operations and procedures which have certainly assisted I have found myself still experiencing pain issues. I have never been a 'pill taker' and so the opportunities around pain relief as an example, afforded by Medicinal Cannabis, properly delivered as a medication via a medical model

with pharmacy dispensing and that opportunity to assist people with similar issues excites me.

### Tell our readers an unusual fact about yourself

Hmm that's a really tough one. About me personally there is nothing that I would admit to although my family might have something to say about that. However, one unusual fact really about my family rather than myself is that over the past few years I found out that I was related to the real Gidget – Gidget the surfer girl, and me I couldn't surf if my life depended on it! That the same branch of my family ran Hollywood's biggest talent agency that included stars such as Marlene Dietrich, Yul Brynner, Edward G Robinson, Charles Bronson, Betty Davis, John Huston and many more. And yet our knowledge of this as an Australian part of the family has only recently occurred.

### What do you like to get up to outside of work?

With my wonderful wife Marcia like to travel and it would seem to many of our friends we are rarely in the country! I prefer travel over a new car any day and my car is over 20 years old and looks it! During the winter I love watching my beloved Brisbane Lions with my good mate Dr Nick Dyrenfurth and look forward to them rising up the ladder again. (I am a Fitzroy tragic but made the change) I used to exercise a lot but those jogging days are sadly over. We are fortunate with family and friends all over the world and new adventures to seek out. I also now spend a fair bitime mentoring young people in a variety ways and enjoy the intellectual stimulation that brings.



### Any advice for young Laborites?

Firstly I am immensely pleased that my children have themselves become active in the Labor movement both in the Labor Party and trade union movement. An old Yiddish saying: Dos apele falt nisht vayt fun boim - the apple does not fall far from the tree. We have been extremely fortunate to have hosted many young Laborites around our Sabbath table and the passion, energy and intellect of these young Labor activists is inspiring.

If I had any advice it is to not lose that passion for your ideals, that powerful belief in improving our society and to create more opportunities for improvement for all people, and to ensure that those less fortunate are properly looked after. That is the mark of a decent society.

### JCRC in the news

Catch up on all our latest musings, straight off the desks of our Committee and Board Members.

An extract of Nick Dyrenfurth's JCRC policy essay Make Australia Fair Again was published in The Age (29.8.2017).



The ACTU released a media statement in support of JCRC's policy position of employees on company boards (29.8.2017).

In the aftermath of Charlottesville, Nick Dyrenfurth wrote for the Australian Jewish News on the rise of the far-right (24.8.2017).

Australian Financial Review and The New Daily coverage of our forthcoming superannuation policy with Vision Super (22.7.2017, 25.7.2017).



JCRC Chair Henry Pinskier for *The* Spectator on why football violence

is a crime (5.7.2017).

Nick Dyrenfurth in the Australian Financial Review on the UK general election, arguing that Australian Labor experienced its 'Corbyn moment' in 2016 (20.6.2017).



Nick Dyrenfurth for The Huffington Post on why cutting penalty rates runs contrary to the Australian way of life (8.6.2017).



Our Executive Director Nick Dyrenfurth is now a regular panellist on Sky News programs *Politics HQ* and *The Perrett Report* and appeared on Channel Ten's The Project in August.

### **Stay up-to-date with JCRC news:**

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### Fiona Richardson (1966-2017)

The tragic passing of a dear friend Fiona Richardson, the Victorian Labor Minister for Family Violence Prevention has brought forth a wave of shared memories and emotions. Fiona Richardson, born in Tanzania and raised in Australia was convinced she had a Yiddishe neshamah and a Jewish heritage. It was an unshakeable belief. Fiona through her actions and deeds sought to leave the world she lived in a better place. She exemplified Tikkun Olam.

I first came to know Fiona in 1998 during Michael Danby's hard-fought Labor preselection for Melbourne Ports. Tough political battles can either spectacularly unite or bitterly split people. Fiona joined this battle and we became close friends. Over the next decade Fiona and I fought together in many Labor political battles most of which we won, some dramatically against the odds, some against high-profile and eminent characters. A political battle in the trenches with Fiona Richardson was an ever escalating hire wire act, enormous attention to detail, copious documentation, but always with a game plan. Tenacious, focussed, determined and overwhelmingly loyal, Fiona's persistence, insistence and a piercing stare often recruited doubters to her cause or forced those against to concede.

A non-drinker and non-meat eater Fiona in the privacy of her own home delighted in preparing and testing new vegetarian recipes on me as a fellow non-carnivore. To her political friends and foes alike she appeared uncompromising and unyielding. Yet away from the day-to-day battle of politics the Fiona Richardson the Pinskier's family knew amd loved cared deeply for her family, her close friends and the society in which she lived. Joining us with her family at our Seders over many years, Fiona enthusiastically participated in the story of Pesach. Together, we celebrated children's births, Bar and Bat Mitzvahs, supported each other during illness, hospitalisation and the tragedy of parental loss. We travelled Europe together, the two families climbing Mt Kilamanjaro and enjoying conversations over the years that always returned to Fiona's unshakeable belief in her Jewish heritage.

Fiona's values were seared in practical social justice. It started as a young woman campaigning together with her mother Veronica to save the Franklin river. Fiona never ceded to the herd mentality and never took the easy path when a better option, regardless of the obstacles was available. Whether it was bucking the Labor Right's view at National conference on expanding uranium exports - which she opposed - to taking on the cause of getting talented Labor people like Mark Dreyfus into the Federal Parliament, a campaign which when it started had little hope of success, Fiona was always up for a fight that she believed was a just cause, the right cause. Fiona was not a shrinking violet, not one to walk away when a principle was at stake.

Fiona visited Auschwitz and Israel as a young woman. Both experiences had a profound effect on her. The horror of the Holocaust moved her to tears whenever it was discussed in our family environment. The survival of the Jewish people, the contribution of global Jewry together with what the State of Israel had achieved against such odds strengthened Fiona's underlying love for the Jewish people. A Magen David birthday gift from Jewish MP Marsha Thomson was cherished. A desire to understand Jewish history and religion and to learn more became a particular feature when Fiona and Marcia would meet to discuss books that each had recommended to the other. Fiona was relentless in her desire to know and understand more.

In the early stages of Fiona's illness, doctor's provided instructions that she had to consume meat. There was no hesitation in asking Marcia provide the 'magical' chicken soup. Numerous pots were delivered with ahavah, a pile of books and a box of Matzah for son Marcus a big fan of Matzah at Seder. It was just such a natural thing to do. Enjoying a family lunch together at their newly built home in mid-2014, the best years of Fiona Richardson seemed ahead. It was our last private shared family experience.

After recovering from illness and becoming the first Minister for Family Violence Prevention in Australia, as was her nature, Fiona threw herself into her work in the newly formed Andrews Labor government at the end of 2014. Whilst we had shared an enjoyable and typically engaging lunch to others Fiona had expressed the fear that she would not live to an old age. Perhaps this drove her to work harder to make a difference in the world and to devote what time she had left in a day, to her wonderful husband Stephen, her beloved children Marcus and Catherine, her precious mother Veronica and her immediate family.

During the Royal Commission into Family and Domestic Violence, the ABC documentary Australian Story featured the history of domestic abuse the Richardson family had suffered. No-one who knew Fiona could have thought that anything in her character suggested she had ever been a victim. Yet another layer of the very private person that was Fiona. Fiona was a tower of strength, and an independent woman who empowered others. The greatest of advocates, an individual who breathed fairness, empathy, and justice.

The Yiddish poet Itsik Manger's poem Libshaft (Love) describes the fiercely protective Jewish mother who safeguards her flock but also gives them their freedom without them knowing it. It is easy for us to remember Fiona in a Jewish context. She embodied Jewish values; committed to positively changing society in both small and great ways, courageous in her willingness to be an advocate for what mattered. Fiona was a light unto us all and will forever inspire all who knew her.

And her Yiddishe neshamah? Fiona's mum's genealogy testing confirmed what Fiona had always felt. There was indeed a Jewish lineage. It was a phone call I will now never ever forget.

Dr Henry Pinskier is Chair of the John Curtin Research Centre. This piece was originally published in *The Australian Jewish News*.

## 'Johno' Johnson (1930-2017)

John ("Johno" Richard Johnson, shop assistant, union leader, politician, raffler of puddings, chocolates, Melbourne Cup sweeps – anything for a quid for the ALP – passed last Wednesday morning from a world which had long failed to understand him. It is astonishing to reflect that with Johno's passing another cedar has fallen where there was once a forest. His death reveals a great and multi-faceted mass of interests and passions.

Papal knight and ALP life member, the man was tribal – fiercely loyal to a brand of politics only found in the old NSW ALP, and universal – one of the Catholic Church's most public champions in Australia, tough and tender, jokey and serious, concentrated energy in support of great causes.

Born in 1930 in Murwillumbah to Ellen ("Nellie"), housewife, and Harry Johnson, quarantine officer on the Queensland and NSW border, illness with tetanus meant that he started formal education two years late at the local Mt St Patricks school. Nine months into

secondary education he quit to work after his father died suddenly; like most poor kids from the bush he held odd jobs, working as a railway clerk, then as a shop assistant.

Aged 13 he handed out how-to-votes in the 1943 federal elections (for John Curtin), joined the ALP at 15 and furiously became involved in Young Labor. He was full time in the union movement from 1962 (the same year he married Pauline Christina, née Russell), rising to NSW assistant secretary of the Shop Assistants', leaving to become a full-time member of the NSW Legislative Council from 1976 to 2001, 13 years as president, where he discarded wig and gown.

He went through the ALP split of the mid 1950s and agonised that everything he held dear was within a whisker of being extinguished. A proud anti-communist and positive Catholic Laborite, he believed the Church's social justice teachings were completely compatible with and enabled

social democracy. Like many deeply involved protagonists, he saw that in the ferocious struggle for survival against the resurgent Left, there was a sapping of idealism, and policy thinking in the Labor movement. Manning Clark called the wilderness years for Labor, 1949 to 1972, "the years of unleavened bread".

The men and women of Johnson's generation kept the faith, sometimes dumped hard against the rocks of fate. They sought allies and safe harbour with people like Gough Whitlam and Neville Wran - two men that could never be said to be of the NSW Right, but were critically empowered by being part of the coalition that is the Labor Party. Johnson supported kindred spirits John Ducker (NSW ALP president from 1970 to 1979) and Barrie Unsworth, leaders of the union movement when they represented a big majority of the workforce, with the Labor Council of NSW a powerful and respected force. In his fiery maiden speech in 1976, Johnson thanked Ducker and Unsworth, nuns and teachers, family, and attacked the killing of unborn children by modern Herods (a reference to the biblical story of King Herod's execution of young children in Bethlehem).

In his seeking out new talent he did as much as any person in NSW Labor's history to build and to strengthen its character. In his farewell speech in the Parliament in 2001, he said: "Unless we nurture the young, unless we pass on the heritage, our political parties will die and our political institutions will die. I hold certain principles, and I hold them very strongly." He liked to say "keep the faith – both of them", religious and secular.

Christian-inspired, he also saw in many distant from his beliefs a sympathetic outlook. Orthodox, he was far from a straight-laced, churchy dogmatist. He sought friends in unlikely places. His kindnesses were legendary. The truth is that everything went hand in hand. Keating referred to him as "a true prince of the Labor movement". NSW Opposition Leader Luke Foley said: "More than anyone I know, Johno personified the tradition within the Labor Party of fidelity to Catholic social thinking". Keating in his comments seems to acknowledge some things have changed in saying: "John was part of a generation of believers. We can only trust the essence, commitment and intensity of those beliefs can stand as an example to another generation committed to social ideals and public virtue." Which is to say you do not have to believe in everything Johno did to see the merit of moderation and support for the underdog – that he

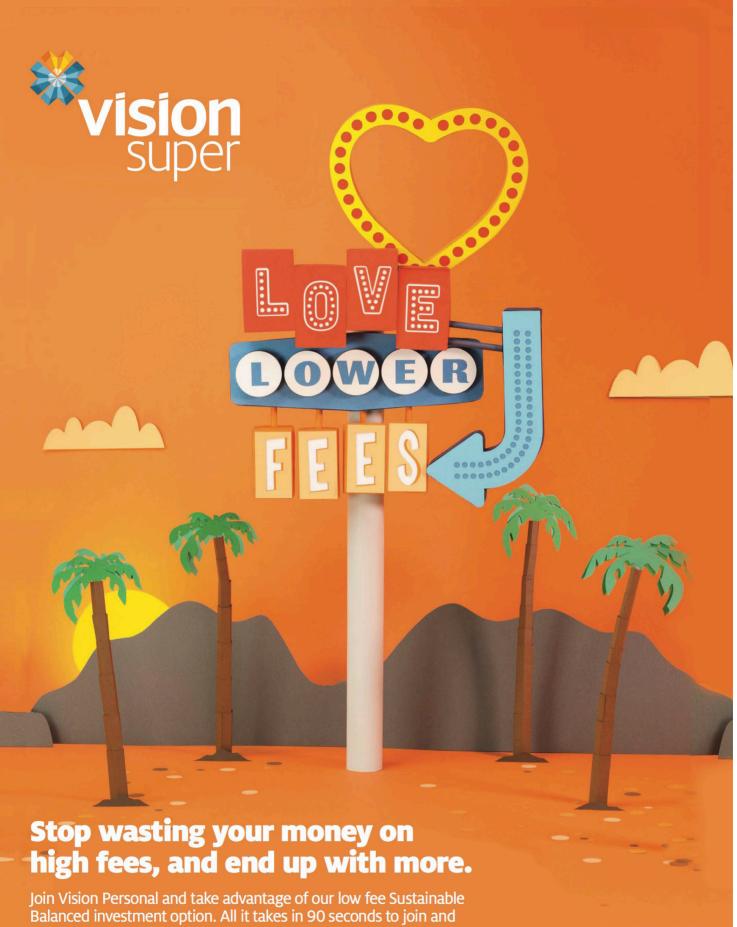
saw as the essence of Labor.

At one farewell after Johnson's retirement there were plenty of speeches, bonhomie and friendly jibes. Neville Wran looked around the room, surveyed the faces – Labor stalwarts, bishops, religious leaders and family and friends – expecting praise. He began: "I can't think of a single thing Johno and I agree on" and proceeded to express deep-felt thanks for his courage, his convictions, his arresting presence.

Whitlam, too, was in the audience that night. Johnson and he exchanged yearly birthday greetings. In Corinth, Gough wrote his Letter to the Corinthians, Johnson told his audience. "Mate, you are getting old; not only do you deserve a state funeral, you deserve a send-off from the best spot in Sydney". "Where, comrade?" Gough supposedly responded. Johnson replied: "All you need to do is to convert and I reckon you could get buried in the crypt of St Mary's!" "How much would that cost, comrade?" "Not sure. Ring this number tomorrow at the Cathedral". The next day, a call came through. The Cardinal was interrupted by a priest saying "there's some bloke on the line asking how much is it to be buried in the crypt." "I don't know", the Archbishop of Sydney supposedly responded. "Tell him it's a hundred thousand". The message was duly passed through. "A hundred thousand!" I only need the thing for three days!" Gough exploded. This was the first time that oft-repeated tale was told. When he retired, Johno promised no book. "I want to keep my mates!" Earlier in 1997, on the passing of Mother Teresa, Johnson moved a condolence motion in the NSW Parliament citing her business card which read: The fruit of silence is prayer; The fruit of prayer is faith; The fruit of faith is love; The fruit of love is service; The fruit of service is peace.

Now after a life of service and tireless endeavour, he rests in peace. He is survived by his wife of 55 years, Pauline, children Andrew, Michael, Monica and Naomi, and their many grandchildren, all with whom he shared a keen interest in fishing, gardening, reading and cricket. His state funeral was held at Sydney's St Marys Cathedral from 10.30am on Friday, August 18.

Dr Michael Easson AM was Secretary of the NSW Labor Council to 1994 and subsequently moved into a business career, primarily focused on real property and technology associated with property and infrastructure. He has been Independent Chair of the Association of Superannuation Funds of Australia since 2015.



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'The nation looked to Labor, and it did not look in vain.'

- John Curtin, 26 July 1943