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FREEDOM OF THE PRESS: AN INTERNATIONAL PERSPECTIVE



Photo - David Karonidis

Zeev Segal

Professor Zeev Segal from Tel Aviv University, and a specialist in media law, addressed The Sydney Institute on Friday 23 August 1996 during a visit to Australia. In his address Professor Segal argued that the limits of the market and the closure of small independent publications did not augur well for a diverse and free press, and freedom of the press must be safeguarded in the public interest.

FREEDOM OF THE

PRESS: AN INTERNATIONAL PERSPECTIVE

Zeev Segal

In a book review which was published in the *New Yorker* on 18 September 1995, David Penning analysed Ben Bradley's new book *A Good Life, Newspapering and Other Adventures*.

Ben Bradley, the legendary ex-editor of the *Washington Post*, left his fingerprint on the history of journalism by backing the "kids" (Woodward and Bernstein) whom he used to call "Woodstein" when shouting at them, in the 1970s, in their investigation of the famous Watergate affair in the United States. Yet the question remains – and Penning clarifies it in his book review which is entitled "Last of the Red Hots" – is there any chance of any owner letting such an investigation go ahead nowadays?

Are there not a whole range of interests that might infringe on the right of the people to know? What would happen if a young Ben Bradley came along, offering his services to a proprietor of a big newspaper? Would the barons of communications be interested in an independent editor who considers *only* relevant considerations?

These kinds of questions relate to the second generation of problems – as defined by the President of the Israeli Supreme Court – Justice Aharon Barak – which focus on freedom of the press vis-à-vis the press community itself. These problems are basically modern, whilst the first generation of problems focus on the press vis-à-vis public officials, the courts and the public at large. In my book, *Freedom of the Press – Between Myth and Reality* (1996) I refer to the outside circle (the press in relation to the authorities) as compared with the inner circle (publisher-editor relations, freedom of the reporter vis-à-vis the editor, concentrations of ownership, etc). It is said that lawyers have problems for every solution. It cannot be ignored that these two circles supply us with a whole set of problems in a national and international perspective.

The discussion relating to a media-concentrated ownership and cross ownership should focus around one main question: what is better for the freedom of the press? A freedom which means printing all the

news that is fit to be printed, as the famous slogan of *The New York Times* states, and not printing only the news that fit the proprietor. Any discussion relating to freedom of the press which means, first and foremost, the right of the people to receive unbiased information, cannot overlook at least three additional freedoms. The first is the freedom of the owner to use the property, which means deciding and dictating the news and views that are fit, in his or her opinion, to be printed.

The second is the freedom of the editor to be immune from undue influence and to consider relevant considerations only. On top of this freedom exists the freedom of every journalist to apply professional considerations only. The task still remains how to strike a reasonable balance between these interests, which might contradict each other.

There is no doubt that the publisher, or owner, enjoys freedom of expression. Yet, the question remains – is it an absolute right and does it not have limitations?

The absolute property right approach still prevails in many countries, including the United States and Britain. In the United States, for example, the editor has the right to resign if the viewpoint of the paper is not to his liking. Still, the primary freedom of expression belongs to the owner and he is entitled to ensure that his outlook and ideas will be expressed. This is still deeply rooted in different legal systems.

These questions were raised before an Israeli District Labor Court for the first time in 1993. A regional court rejected the traditional approach which gives the owner the right to a day-to-day intervention in the editorial work. Thus, he who is able to fire the editor cannot direct him on a regular basis.

In so ruling, the District Court adopted the view advanced by Dr Gibbons in a leading article entitled “Freedom of the Press, Ownership and Editorial Values” which was published in England in *Public Law* in 1992. The writer argues that the special status of freedom of the press is based on its association with editorial autonomy “conceived of serving a public interest in communication”.

The Regional Labor Court’s decision was not approved by the National Labor Court. In its decision, rendered in October 1994, the court based its opinion on the owner’s right of property. An owner of a private newspaper, the court said, might determine what will be printed and has the right to intervene on a regular basis in the day-to-day work of the editor or of a reporter.

“Owners of newspapers,” the Court noted, “are entitled to guide their paper in the direction which they favour. The owner is entitled to determine the political, economic and cultural line of his paper.” “The owner,” the court added, “is entitled to require a journalist employed by him to write an article on a subject which he regards as important, and he may instruct the journalist as to the general line to be favoured.”

The National Labor Court's decision is now under judicial review before the Israeli Supreme Court. In a lecture given at Tel-Aviv University by the President of the Israeli Supreme Court on 13 May 1996, Justice Barak upheld the freedom of expression of journalists against interference by the publisher representing the owner. Justice Barak noted that the Regional Court's decision "recognises the newspaper not only as a speaker but as a stage and the journalist not only as a worker, but also as an individual who is entitled to freedom of speech vis-à-vis the newspaper".

It is my submission that the publisher of a newspaper – who might be the editor at the same time – can tell a reporter what to write about, but cannot tell him what to write. He can tell a reporter to write a 5000 word profile about the prime minister, but cannot order him to write a flattering profile about him.

A property right is not, in my view, a magic word. The right of the owner of a newspaper can be limited in the public interest. If you own a paper, you own private property which is also a public one. The owner's right should be balanced against other social interests. When the right of the citizen to be informed is at stake, the owner's right of property cannot be without limitations. It carried a heavy weight, but might be restricted in order to secure a free market – place of ideas, which is a *conditio sine-qua-non* of a democratic society.

Cross-ownership, which means concentration of the media in a few hands, may infringe on the diversity of opinions which is essential to an open public debate. Thus, in Australia restrictions apply in relation to cross-media ownership between television and newspapers, apart from the regular limitations embodied in the Trade Practices Act. France adopted, in 1986, a law prohibiting transactions that would lead to a high level of ownership concentration. Legislation in Germany in 1976 controls mergers in the press sector, if the merger involves companies exceeding DM 25 million. In the United States, the First Amendment has been interpreted as sheltering the press from any special regulation directed especially at the press. Still, restrictions applied to cross-media ownership, television and electronic media.

The international perspective relating to cross-ownership in different countries reflects the special status of freedom of the press in democratic societies. We in Israel now examine the question in the light of a recent act which limits the share of newspapers in commercial television and radio. Under an anti-trust law, one paper was declared a "monopoly" and was instructed to obey restrictions on its activities in the market.

The concentration of control in organs of the media might limit the marketplace of ideas (Justice Holmes' famous phrase) and turn it into a market of *one* idea. A "constitutional market failure" may occur – observed the Israeli ex-president of the Supreme Court, Meir Shamgar,

in 1994 – if a limited group dictates and shapes the “marketplace of ideas”.

In the last few years the Australian scenery may serve as an example which is not unfamiliar to the Israeli one. The closure in Australia of the *Australian Left Review*, *The Modern Times*, *Editions* and recently *The Independent Monthly* limit the marketplace which is essential to a free press. I share the observation of Morag Fraser, the editor of *Eureka Street* (which was published in *The Australian*, 16 July 1996) that the closure of newspapers is an alarm to culture and a weakening of the voice of independent journalism.

Some remedy for a limited media-market, which exists in many countries, might be found by granting the right of access to the media. The “Fairness Doctrine”, which prevailed in the past in the United States, secures a free flow of an entire range of views in the context of radio and television. It was adopted in Israel in 1982 in a case relating to the Broadcasting Authority. The Supreme Court decided – preferring American concepts to British perspectives – that the Authority’s decision not to interview supporters of the Palestine Liberation Organisation was contrary to the idea of informed citizenry and to the “Fairness Doctrine”.

The law in Israel secures the right to reply when relating to public utilities such as the television and the radio that operate under special law. This right was adopted in broad terms when the Israeli Press Council codified anew its standards of professional ethics in May 1966. Yet the question remains, if a private newspaper owes any duty to accord a citizen any opportunity to respond or to publish his views?

Such a right does not exist in Australia. In Austria there are detailed provisions in the law providing for a right of reply and correction. In case of refusal, the court may impose a fine against the publisher. In France there exists, according to the 1881 Press Law, the right of reply. The same is the situation in Germany.

In Israel the Supreme Court referred to the question in a 1994 decision. The Justices applied American Supreme Court decisions which declared as unconstitutional laws which forced newspapers to give a right of reply to politicians who were criticised by the paper in an election campaign. It was agreed that private owners are entitled to their property rights and should not be obliged to give access to the public. An order to publish, the Justices concluded, might be given only if a publication is of public character, being sponsored by public funds.

In my book, which deals with the freedom of the press, the view is advanced that imposing the right to reply or to give access to the media, by a statutory provision, would impair the autonomy of the media and the freedom of the newspapers to apply professional discretion. I, for one, suggest embodying a broad concept of the right

to reply in the Press Council's Code of Journalistic Ethics. Such a pattern was taken by the Press Council in the new 1996 Code.

In a lecture marking the publication of the above mentioned new book (May 1996) the Supreme Court President, Aharon Barak, suggested that the privately-owned press be regarded as a public utility, as it carries the public's open discussion.

Barak points to the concentration of control of the press in Israel. "The contention," he declares, summing up his thesis, "is that one who controls this stage owes a fiduciary obligation to the public, as he owns, in a certain sense, a public asset." In this idea, which Justice Barak put for public discussion, he eliminates the distinction between the privately-owned press and the TV and radio, which operates according to the law. Under this view, the newspapers control a public stage and thus must be objective, prohibited from discrimination and must provide reasonable access to all segments of society.

This submission was heavily criticised. Allan Shapiro wrote in the *Jerusalem Post* (23 May 1996) that Barak "apparently does not recognise that such action (i.e. intervention by the court to secure the implementation of the duties) is governmental intervention. Judicial intervention into the confines of the editorial office is an unavoidable consequence of the public utility concept". The editorial of *Ha'aretz* (20 May 1996) stated that Justice Barak, himself, was aware of the complexity of his attitude and stressed the fact that such a viewpoint reflects on the basic rights of property and of free occupation. The article observed that taking into consideration the "outside circle" – in which freedom of the press competes with military censorship, privacy and "sub judice" prohibitions – it is highly advisable to object to any further legal duties which will infringe on the freedom of the press.

It might be said, in conclusion, that freedom of speech and of the press is deeply rooted in the Israeli legal system. As our Supreme Court put it in a 1993 decision, it "stands at the top of the freedoms on which our democratic regime is founded". Freedom of speech grew in our law out of Jewish tradition and the democracy of the State of Israel. It is not just an abstract principle in our legal system. It creates a substantive right which embodies a whole range of rights relating to political speech, to commercial speech, and to the right of the people to receive information.

The right is not absolute. It is subject to other values, such as security of the state, human dignity, privacy, fair trial, etc. Still, the respect for the freedom of speech and the right of the people to know, influenced our Supreme Court in deciding that the Military Censor has no authority to exercise his powers without the existence of a "near certainty" of a serious danger to security.

This respect for freedom of the press as a fundamental right is influenced in the Israeli law by the American jurisprudence. Thus, in

general, freedom of speech might be limited only under a compelling and pressing public necessity.

Freedom of speech is not mentioned expressly in the Israeli basic law relating to liberty and human dignity, which was enacted in 1992. Still, this law is interpreted to include freedom of speech as part of "human dignity". The duty to respect freedom of speech is targeted not only at the Executive Branch but also towards the Judiciary. The same duty of the courts was stressed in relation to the *New Zealand Bill of Rights Act, 1990*. Thus, it was decided there [*R. v Chignall* (1990) 6 C. R. N.Z. 476] that the basic right of freedom of speech relates also to a judicial decision whether to allow publication of a certain court's proceedings.

Israeli judiciary shows its respect for the freedom of speech by a Supreme Court decision (dated way back in 1978) which recognised journalists' privilege not to reveal their sources unless the public interest to be served by disclosure was "compelling". The Court rendered its ruling in the absence of a statutory "shield law". Legislation to protect sources was suggested in Israel by a recent commission's report, and it is still under debate. Such law, as exists in different countries like Austria, Denmark, France and others, might serve as an example of the recognition needed in order to enable the media to perform its watchdog role.

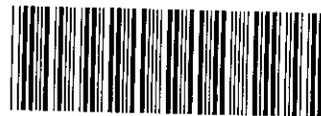
In a rare recourse to laws which limit political speech, Israel shows its commitment to free speech. Such commitment should be balanced against incitement and intimidation because of race, colour or ethnic origin. The Israeli penal code includes, since 1986, a provision stating that anyone who publishes any matter with the intent of inciting to racism is liable to five years imprisonment. In a 1996 decision the Israeli Supreme Court ruled that the importance of combating racism justifies that such an offence is committed regardless of the fact that it institutes a near certainty of an occurrence of racism as an outcome of the publication. The mere nature of the publication coupled with an intent to incite which is foreseen as a consequence and enough for a criminal responsibility.

The 1995 Australian federal legislation in this regard envisions, as Dr Colin Rubenstein from Monash University describes it, that "racism is out of fashion" (*Justice*, March 1996). Still, the battle against racism is never ending. Democracy entails tolerance towards non-tolerance. Thus the limitations on the free market of ideas should be very limited.

In 1988 the Australian Chief Justice, Sir Harry Gibbs, said in a lecture – which is mentioned by Professor David Flint, the Chairman of the Australian Press Council, in an analysis relating to the Racial Hatred Bill, 1994 – that Australia is a "fortunate country, one of the most free and tolerant of societies". Even in such a country, as in any

other country, freedom of the press should constantly be safeguarded in the public interest. It was Earl Warren, the famous American Chief Justice, who said that human rights should be cherished daily. The task to secure the freedom of the press is one of international importance. The duty to preserve it, while not ignoring other substantial social interests, is part and parcel of democratic life everywhere.

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Cecile Ferguson

To complete the Institute's series of lectures by the directors of Australia's major political parties, Cecile Ferguson, Federal Director of the National Party, addressed The Sydney Institute on Wednesday 28 August 1996. In considering the future of the National Party, Cecile Ferguson pointed out that research undertaken in 1990 showed that amalgamation with the Liberal Party would not increase the Coalition's support.

THE FUTURE OF

THE NATIONAL PARTY

Cecile Ferguson

I believe this is the first time a National Party Federal Director has addressed your Institute. The National Party has been represented in Federal Parliament for an unbroken 76 years. And almost from the moment it was formed, as the Australian Country Party on 22 January 1920, people have been confidently predicting its demise. Well that hasn't happened and we're still here. Indeed, we are probably the last and the largest rural political party still operating independently anywhere in the democratic world. More than that, we are still an extremely influential part of the Australian political system. We are partners in government with the Liberal Party.

The National Party's parliamentary leader, Tim Fischer, is the Deputy Prime Minister and Minister for Trade. Our deputy leader John Anderson is Minister for Primary Industries and Energy and a member of the Economic Review Committee. We have a third Cabinet minister in John Sharp, with the Transport and Regional Development and Bruce Scott as Minister for Veterans Affairs. Beyond the ministry, the National Party has two parliamentary secretaries, or junior ministers – Senator David Brownhill and Senator Grant Tambling. Peter McGauran is also deputy leader of the government in the House of Representatives. The Deputy Speaker, Garry Nehl, is the National Party Member for Cowper.

Six of our members are chairmen of parliamentary committees, including Ian Sinclair who heads the influential foreign Affairs, Defence and Trade Committee. A further three National Party Members are chairmen of government committees. There is, therefore, a significant breadth of power and representation by the National Party in the government.

Very little has changed since Dennis Woodward, at the time a lecturer in politics at the Chisholm Institute of Technology, observed in his book *Country to National* in 1985, that the party exerted "a degree of influence within the Coalition which has been disproportionate to its size". That is still the case today. Indeed, journalist George Negus,

guest speaker at the New South Wales parliament's Public Accounts function at Parliament House on 31 July 1996 said:

... if we were to meet in this room in ten years time, or at least 15 to 20 years time, I doubt that there will be a Labor Party in existence, or a Labor type party in existence. I doubt that there will be a Liberal Party in existence. I was going to say I doubt that there will be a National Party in existence, but there probably will be. They have staying power, God knows how. They have been running this country for a long time now with a handful of blokes in parliaments all over the land and they will probably keep getting away with it for a while longer.

All organisations, political and otherwise, go through good and bad times. The difference with the National Party is, because we are small in Federal parliamentary terms, our misses are probably noticed more, and certainly beaten up more by the media, than are those of the bigger Liberal and Labor Parties.

After the last election, for instance, there was considerable attention given to our loss of Murray in Victoria and our failure to regain Calare in New South Wales. There was very little attention given to the significant achievements of winning back Capricornia in Queensland and Richmond and Page in New South Wales. I'm not saying the Murray and Calare experience can be ignored, or put down to bad luck. They certainly cannot. They were losses we should not have incurred. They were losses we are examining closely.

When you look at the House of Representatives seats lost by the National Party since 1974, you find there are a total of 14. Of those, the party has won back five.

Status of selected National Party seats – 1974–1996 **House of Representatives**

Electorate	Lost by NP	Status in 1996
Canning	1974	Lib
Moore	1974	Lib
Indi	1977	Lib
Capricornia	1977	NP regained 1996
Calare	1983	Ind
Leichhardt	1983	Lib
Fisher	1987	Lib
Hinkler	1987	NP regained 1993
Groom	1988	Lib
Kennedy	1990	NP regained 1993
Fairfax	1990	Lib
Page	1990	NP regained 1996
Richmond	1990	NP regained 1996
Murray	1996	Lib

All of the five seats won back – Capricornia, Hinkler, Kennedy, Richmond and Page – have been won back from the Labor Party. The others are now held by the Liberal Party.

In today's political climate, so far as coalitions are concerned, it is, of course, harder for us to win seats back from the Liberals, because under Coalition arrangements neither party stands against a sitting Member. I'm not suggesting we should look at changing or breaking those arrangements. I'm saying we need to plan better for when the opportunities to contest those seats do arise – such as when a sitting Member retires and a three cornered contest can occur – and we need to be much smarter with the candidates we put forward. Our candidates must always be the best candidate for the particular electorate. On the evidence of those 14 seats, we have not necessarily provided the best.

Despite these losses, we as a party have probably done more to readjust to changing electoral and demographic circumstances, to maintain pace with a changing Australia, than any other political organisation. We've had to because the electoral and demographic changes have been far greater in our historically traditional areas than in the cities. We're still adjusting to changing needs even today. We changed our name, not once, but twice, from Australian Country Party, to National Country Party and to National Party. We have significantly broadened our base, offering policies right across the spectrum of political interest and activity, while still retaining our specialist role to represent Australia's rural industries and communities.

Many people will say we only represent cockies. Yet if you look at our current Members of Parliament you see a broad cross section of occupations of our Members before they became parliamentarians.

Member/Senator	Previous occupation
John Anderson	Farmer and grazier
Larry Anthony	Stockbroker
Ron Boswell	Businessman
David Brownhill	Farmer and grazier
Ian Causley	Cane cutter and farmer
Michael Cobb	Veterinary surgeon
Tim Fischer	Farmer
John Forrest	Civil engineer
Noel Hicks	Road design draftsman
Bob Katter	Miner
De-Anne Kelly	Cane farmer
Sandy MacDonald	Farmer
Paul Marek	Fitter and turner
Peter McGauran	Barrister and solicitor
Julian McGauran	Family company director
Garry Nehl	Publisher and PR consultant
Paul Neville	Regional development manager
Bill O'Chee	Investment banker
Bruce Scott	Grazier
John Sharp	Farmer
Ian Sinclair	Barrister and grazier
Grant Tambling (NT-CLP)	Newsagent, business consultant
Warren Truss	Farmer
Mark Vaile	Real estate agency owner

Our members represent stock brokers, civil engineers, miners, publishers, road design draftsmen, news agents, real estate agents, fitters and turners, veterinary surgeons, barristers, investment bankers and yes, farmers and graziers.

We will never walk away from our primary role, our original reason for being. Representing the nation's wealth creating industries, farming and mining, means we are still representing those private sector areas of the economy that really matter to this country – that enable all of us to enjoy such a high standard of living and world class community services, notably in terms of health and education.

I mentioned we are still adapting to changing circumstances. In 1988, the party commissioned a major review into its future, the Nixon Report. It was the first time such a detailed internal assessment of the party had ever been undertaken. Every one of its recommendations were put into place by the Federal and State Parties – and they have gone a long way to improving fundamental operational structures within the party as a whole. Just recently, the Federal Management Committee – our national executive, received a follow up report, undertaken after the March 1996 Federal election.

It contained 81 recommendations, all of which have been adopted in principle, with the Management Committee instructing the Federal and State Parties to work together to implement them as quickly as possible. They will greatly assist in streamlining the party's communications systems in bringing about greater uniformity in information technology use and training, in developing a better career structure for people in the National Party, in improving preselection processes and in generating greater public understanding of what the National Party is, what it stands for and why it is essential as a continuing independent force in modern Australian politics.

The report has reasserted the definition of the National Party. It says the party is:

... a conservative, private enterprise organisation. It provides a vital balance in conservative politics, ensuring the interests of people living beyond the largest capitals are taken into full account in all policy. It is a staunch advocate for the nation's wealth creating rural and resource industries. It gives priority to balanced environmental protection, small and family business, regional development, tourism and social and family issues. It upholds traditional values and fights for a better quality of service, opportunity and lifestyle for all people, from remote inland communities to major coastal centres.

How, I hear you asking, does that make the National Party different from the Liberals? In my view the answer is simple. The National Party represents mainly regional and country Australia – on the coast and inland. The Liberals are mainly city-based. If the National Party did not exist, conservative government policy would be dictated by a majority of city-based politicians. The National Party is

essential to balanced policy development.

That has always been our priority – to provide a balance in policy; a balance that ensures the interests and needs of country Australians are not overlooked or ignored. That remains a fundamental priority. Many people have suggested we've given away many so-called holy grails. There is the argument we failed on the wool reserve price scheme, on domestic wheat marketing, on new gun laws. Those perceived losses are used by our critics to say there's no reason to continue as an independent party; fold your swag and join the Liberals. Of course, they totally overlook the continuing wins.

Take last week's Budget. We didn't lose the diesel fuel rebate. We stuck in there, fought the fight, and won the retention of \$1.3 billion for the mining, agriculture, forestry and fishing sectors.

- We will provide a billion dollar family tax initiative which will give families more choice from 1 January 1997.
- Medicare stays with health insurance incentives. There will be a comprehensive initiative to boost rural health, including the John Flynn scholarships to attract more doctors to rural areas; and six University Departments of Rural Health.
- We will boost the threshold level in two stages to remove the anomaly relating to self funded retirees.
- There is a \$150 million reduction in Capital Gains Tax for small business related to roll over, and a doubling of certain Capital Gains Tax exemptions in respect of certain inherited property.
- We will boost the boarding allowance and secondary and primary school allowances to help close the gap in educational opportunities of isolated children across Australia.
- We have already reduced the Provisional Tax Uplift Factor from 8 per cent to 6 per cent – effective from 1 July 1996.
- We will retain the government's dollar for dollar contribution to rural research and development.
- We will increase local government financial assistance grants by 4 per cent.
- There will be a \$20 million reduction in Fringe Benefit Tax on housing in remote areas with respect to primary industry.
- There will be a new \$150 million road safety black spot program with expenditure over three years.
- The Pacific Highway will have a \$3 billion upgrade to ensure a huge boost for transport infrastructure. This project is second only to the Snowy Mountains Scheme in size and \$803 million will be spent on roads in 1996/97.

- National Party member for Lyne, Mark Vaile, will chair a parliamentary inquiry into the desired level of road funding and will report in November 1997.
- The Export Marketing Development Grants (EMDG) scheme has been retained with a sharper focus on small business, and the tourism industry for the first time ever is to gain full rate access to the EMDG scheme.
- Regional communities will have direct access to government policies through a Working Group of key Ministers.

Nor did we lose the gun debate. On the contrary, it was National Party pressure and participation in the development of new gun laws that ensured continuing access to a wide range of firearms for a wide range of people, including our prime constituent areas, such as primary producers, professional and sporting shooters and genuine collectors.

Yes, people can claim we were crimped on crimping, and we were. But had we not been responsible and actively participating in the overall debate and policy development, I'll bet you the restrictions on responsible gun ownership would have been far greater than they are. Had the issue been allowed to go to referendum, the sheer weight of capital city votes would have just about ensured a total ban on all gun ownership in Australia for all time. So I reject totally any notion that the National Party failed on guns and generally fails to achieve.

We've had many significant achievements in government in the short five months since the election. We've secured the single desk export powers of the Australian Wheat Board. We've re-opened the East-West runway at Sydney Airport. We've increased woodchip export quotas. We've reformed Australia's international treaty making processes, extended migrant waiting time for social security benefits, set up a small business deregulation taskforce, convened the first ever national rural finance summit and a roundtable conference on the wool industry, negotiated agreements with Malaysia and the Philippines to increase access for Australian canned and fresh fruit products . . . and so the list goes on.

We are achievers. We participate in policy development and we frequently initiate policy development. Working co-operatively and responsibly with the Liberal Party, we contribute in no small way to ensuring the best possible policies for all Australians.

The Australian Electoral Commission identifies 46 of the 148 seats in the House of Representatives as rural, and a further 17 as provincial.

**House of Representatives Rural and Provincial Electorates
- AEC**

State	Rural	Provincial
NSW	Calare (Ind - 13.4)	Charlton (ALP - 9.4)
	Cowper (NP - 11.6)	Cunningham (ALP - 13.0)
	Eden-Monaro (Lib - 4.8)	Dobell (ALP - 0.1)
	Farrer (NP - 21.3)	Newcastle (ALP - 11.2)
	Gilmore (Lib - 6.3)	Robertson (ALP - 3.6)
	Gwydir (NP - 18.6)	Shortland (ALP - 8.2)
	Hume (NP - 11.8)	Throsby (ALP - 19.6)
	Hunter (ALP - 7.0)	
	Lyne (NP - 15.5)	
	Macarthur (Lib - 10.7)	
	New England (NP - 19.2)	
	Page (NP - 4.4)	
	Parkes (NP - 6.5)	
	Paterson (Lib - 0.5)	
	Richmond (NP - 6.8)	
	Riverina (NP - 21.1)	
Vic	Burke (ALP - 7.1)	Ballarat (Lib - 3.7)
	Corangamite (Lib - 7.7)	Bendigo (Lib - 0.9)
	Gippsland (NP - 18.7)	Corio (ALP - 6.9)
	Indi (Lib - 17.8)	
	McEwen (Lib - 2.2)	
	McMillan (Lib - 2.1)	
	Mallee (NP - 23.6)	
	Murray (Lib - 24.3)	
	Wannon (Lib - 12.4)	
Qld	Dawson (NP - 10.0)	Capricornia (NP - 3.7)
	Dickson (Lib - 3.2)	Groom (Lib - 21.3)
	Fairfax (Lib - 18.1)	Herbert (Lib - 6.6)
	Fisher (Lib - 20.4)	McPherson (Lib - 17.1)
	Hinkler (NP - 10.4)	Moncrieff (Lib - 20.3)
	Kennedy (NP - 14.5)	Longman (Lib - 11.6)
	Leichhardt (Lib - 4.2)	
	Maranoa (NP - 25.8)	
	Rankin (ALP - 1.4)	
	Wide Bay (NP - 16.6)	
WA	Brand (ALP - 0.3)	
	Forrest (Lib - 13.7)	
	Kalgoorlie (Ind Lib - 3.4)	
SA	O'Connor (Lib - 26.0)	
	Barker (Lib - 20.9)	
	Grey (Lib - 8.6)	
Tas	Mayo (Lib - 15.2)	
	Wakefield (Lib - 20.0)	
	Braddon (Lib - 5.8)	Bass (Lib - 4.6)
NT	Lyons (ALP - 1.4)	
	Nthn Territory (CLP - 0.4)	

On the basis of the AEC's definitions, the only House of Representatives seat held by the National Party that is provincial is Capricornia. All the rest are rural. Of that total of 83 seats, 29 are held by the Liberal Party, 18 by the Nationals, 13 by Labor, one by the Northern Territory CLP and two by independents.

At face value, one might argue the Liberals, now holding more rural and provincial seats than the Nationals, are being more successful in infiltrating our traditional territory. Yet, a large number of the seats held by the Liberals are either based on major regional cities or towns - Macarthur, Dickson, Fairfax, Fisher, Groom, Herbert, McPherson, Moncrief, Longman - or are in States where the rural regional "establishment" is fundamentally Liberal.

In Victoria and South Australia, for instance, the country's establishment is basically Liberal, while in New South Wales it is basically National. Hence, the Liberals hold such seats as Barker, Grey, Wakefield, Mayo, Corangamite, Wannon, Bendigo, Ballarat, McEwen and McMillan.

The challenge for the National Party in the future is to turn that base support around, so more people more readily identify with the National Party as their natural conservative voice. Again, I stress this is not indicating breaking coalition arrangements, but rather working to market and prepare ourselves better for when three cornered contest opportunities do arise.

At the same time, the National Party's core base of support and its ability to retain around a 15 per cent representation of all seats in the House of Representatives, is well established and basically immovable.

Federal Electoral Background

The National Party's historical electoral performance in the House of Representatives is set out in the following table:

National Party of Australia
House of Representatives Elections

Year	Seats won	Seats contested	Seats in House	Primary votes ('000s)	% of all seats	% of vote	
1919	11	19	75	176,884	14.7	9.3	(a)
1922	14	32	75	197,513	18.7	12.6	
1925	14	18	75	313,363	18.7	10.7	
1928	14	16	75	271,666	18.7	12.1	(b)
1929	11	19	75	295,640	14.7	11.2	
1931	16	27	75	388,544	21.3	12.3	
1934	14	29	74	447,968	18.9	12.6	(c)
1937	16	25	74	560,279	21.6	15.6	
1940	14	28	74	531,397	18.9	13.7	
1943	11	29	74	514,615	14.9	12.5	(d)
1946	11	24	74	464,737	14.9	10.7	(e)
1949	19	37	121	500,349	15.7	10.9	
1951	17	22	121	444,798	14.0	9.7	
1954	17	22	121	389,334	14.0	8.5	
1955	18	18	122	347,445	14.8	7.9	
1958	19	24	122	465,320	15.6	9.3	
1961	17	25	122	446,476	13.9	8.5	
1963	20	24	122	489,498	16.4	8.9	
1966	21	27	124	561,926	16.9	9.8	
1969	20	26	125	523,232	16.0	8.6	
1972	20	36	125	622,826	16.0	9.4	
1974	21	49	127	796,577	16.5	10.8	
1975	23	45	127	868,919	18.1	11.3	
1977	19	30	124	793,444	15.3	10.0	

1980	20	31	125	736,122	16.0	8.9	(f)
1983	17	31	125	799,609	13.6	9.0	
1984	21	72	148	921,151	14.2	10.6	
1987	19	82	148	1,064,230	12.8	11.5	
1990	14	46	148	833,557	9.5	8.4	
1993	16	46	147	758,036	10.9	7.2	
1996	18	32	148	893,170	12.2	8.2	

Notes

- (a) Candidates from various farm Organisations
 (b) Includes one MP from Country Progressive (Vic)
 (c) Excludes Liberal and Country League (SA)
 (d) Includes three Country Party groupings, but not Liberal and Country League (SA)
 (e) Excludes Liberal and Country League (SA)
 (f) Includes National Country Party, National Party and Country Liberal Party (NT)

If the total period is taken between 1919 and 1996 inclusive, the National Party's representation in the House of Representatives averages 15.75 per cent of all seats. In the current 148-seat House, that means the average National seats in Parliament should be 23.3. On more recent trends – which are clearly more relevant – looking at the 20 year period from 1976 to 1996, the average representation is 13.62 per cent, which translates into 20.1 seats in the House. Currently, we hold 18 seats. Had we won Calare and retained Murray, we would hold 20 seats and be just about on par. Had we also picked up Leichhardt – which one could say we should given the anti-Labor swing – we would hold 21 seats and be just above par.

In other words, the party is able to hold its own – providing it gets its preselections right, puts forward the best possible candidates, and runs good campaigns in local electorates. As I said, there are processes being put in place to achieve and improve those objectives and systems.

In 1990, we undertook a detailed assessment of amalgamation, from which concluded there was no evidence to suggest a single conservative political party would attract more votes and therefore win more seats at the next Federal election. The assessment warned that amalgamation should never be considered unless it can be proved beyond any reasonable doubt that more seats will be won. That could not be done in 1990 and it cannot be done today.

On the basis of recent primary vote statistics for the House of Representatives, the present status quo of the two independent conservative parties is increasing its voter appeal.

**Primary votes per Party – Selected elections
House of Representatives**

Election	ALP votes	LP votes	NP votes	Coalition Total	Total Enrolment
1975	3,313,004	3,232,159	869,919	4,102,078	8,262,413
1977	3,141,051	3,017,896	793,444	3,811,340	8,548,779
1984	4,120,130	2,978,891	921,151	3,900,042	9,869,217
1987	4,232,563	3,191,059	1,064,230	4,255,289	10,353,213
1990	3,904,138	3,468,570	833,557	4,302,127	10,728,435
1993	4,571,390	3,923,786	758,036	4,681,822	11,384,638
1996	4,217,765	4,249,001	893,170	5,142,171	11,740,654

The National and Liberal Parties in March 1996 won more primary votes for the House of Representatives than at any other election – more than 5.1 million. The Liberal share of primary votes in 1996 was just over one million more than in the 1975 anti-Labor landslide. The National Party's increase was 23,250 – which is arguably not great given total enrolment between 1975 and 1996 has increased by nearly 3.5 million. Nonetheless, the National Party in 1996 won more House of Representatives primary votes with fewer candidates than it did in either of the 1990 or 1993 elections – more than 893,000 votes with 32 candidates, compared to 46 candidates in each of the two previous polls.

All of these statistics and trends are being closely assessed. The National Party does need to do more to improve its voter appeal, and it is doing more to bring that about. But amalgamation is simply not the way to go. The fact that we need to do more to increase voter appeal reflects two major points – the speed of demographic change taking place in many of our target electorates and declining economic fortunes across the broad base of the rural economy. The standing of the National Party still rests on the strength of the economy in rural and regional Australia – an economy which is dictated by the farm sector and flows right through local businesses, industries and communities.

Farm Business Profit – Broadacre Farmers

Year	Average Profit/Loss
1990/91	-\$24,800
1991/92	-\$24,700
1992/93	-\$16,300
1993/94	-\$5,500
1994/95	-\$13,700
1995/96 (est)	+\$7,100
1996/97 (est)	-\$10,600

Source: Australian Bureau of Agriculture and Resource Economics (ABARE)

The farm workforce – employers, self-employed, unpaid family helpers and paid farm employees – has declined over the years.

Farm Work Force

Year	Employers and Self-Employed	Unpaid Family Helpers	Paid Workers	Total
1973/74	238,000	16,000	137,000	391,000
1983/84	249,000	12,000	121,000	382,000
1993/94	221,000	25,000	125,000	375,000

(Source: ABARE)

The rural economy has been heavily depressed throughout the 1990s and shows little sign of strengthening, with the possible exception of the wheat industry. Figures from the Australian Bureau of Agricultural and Resource Economics (ABARE) show average farm business profit for broadacre farms in 1990/91 was minus \$24,800. While ABARE has forecast an improvement to a positive \$7,100 for the

year just ended, it is estimating a plunge back into the red to the tune of \$10,600 in the current 1996/97 year.

Another very interesting barometer of the state of the farm sector can be gauged from the farm workforce. ABARE figures show that in the decade 1983/84 to 1993/94, the number of employers and self-employed farmers fell by 28,000 to a total of 221,000. However, the number of unpaid family helpers increased massively from 12,000 to 25,000, graphically illustrating the growing financial pressure on family farm operations. Over virtually the same period, the number of farm establishments fell by more than 40,000 between 1972/73 and 1992/93.

These trends and movements have a very significant impact on the economies of country towns and communities and subsequently on the National Party. So too, as I mentioned, does the movement of population in our prime interest electorates. There is a growing proportion of the population of electorates – particularly those in coastal regions in New South Wales and Queensland – which simply does not know about the National Party.

Some people may never have heard of us because they are retirees from cities like Melbourne or Sydney, where to all intents and purposes we do not exist. Others, because they have come from metropolitan areas, believe we only represent farmers. Still others, if they have heard of us, will never vote for us because they are committed Labor, Democrat or Independent voters.

We have to turn that around, increase public understanding of what we are, what we stand for, and why those sorts of people can look to us as the best party to represent them in their new situations.

I have tried to point out to you the strengths and weaknesses of the National Party, particularly so far as Federal politics is concerned. We have a core of support which is unlikely to diminish, no matter what. We have established where and how our performance needs to be improved, mainly in terms of public and community education. We have acknowledged we need to ensure the best possible candidates for particular electorates. I regard all of that as highly positive for the future.

We are a party that has historically displayed its ability to move and keep pace with changing demographic circumstances and electoral fortunes. We are still able to do that and we are still doing that. Therefore, this Party does have an ongoing future, as an independent force indeed, as the third force in Australian politics. We will maintain that position and we will maintain our relevance.

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Helen Daniel

Helen Daniel, editor of *Australian Book Review*, was a key player in the 1995 Darville-Demidenko controversy and has been part of Australia's literary scene for two decades. Reflecting on a divided and acrimonious year for the literary establishment, Helen Daniel chose the phrase "high noon" to describe some of its more colourful moments. Helen Daniel addressed The Sydney Institute on Tuesday, 3 September 1996.

HIGH NOON IN

AUSTRALIAN LITERARY CULTURE

Helen Daniel

In Illinois recently, two men were in a fierce competition for quoting from the Bible. Who could quote more passages from the Bible? At the end of it, the loser, apparently a little put out, shot the winner dead. While I hesitate to offer this as a paradigm of Australian cultural life in the 1990s, it seems to me much of our public cultural debate is phoney and tawdry because it offers only two positions. Yes/No. Right/Wrong. Winner/Loser. Though we often manage to do a little more than quote the Bible, it is this binary thinking that leads to the fundamentalist and deadly principle of the showdown in our cultural debate.

Behind the scenes, so to speak, we conduct our casual debates – shifting and tentative, shifty and multiple. What happens in the public arena is different, High Noon in Australian cultural life. You remember the 1952 film, *High Noon*, the action taking place over a few hours as one man, played by Gary Cooper, searches desperately for support among the townspeople against a gang of vengeful outlaws. While I hesitate again to suggest this 1950s American western is a paradigm of Australian cultural life in the 1990s, there are some similarities: the two-sided confrontation, the subsuming of all issues, all ambiguities, all contradictions, all doubts, into showdown. As everyone in *High Noon* deserts Gary Cooper – for a range of reasons – his courage and honour are admirable. But the system, the society, the law, the culture and the history of the town all compel him to showdown. In terms of public debate and the ways in which it is represented by the media, ours too is a culture of showdown – a culture uncomfortable with contradiction, ambiguity, doubt, the unresolved.

Last year was of course the Year of the Helens, the year the Helens, Garner and Demidenko, in weird succession, dominated the literary debate and featured large in the daily media. Peter Singer has argued that we should not assume that, because last year literary matters were regular features of the media, we have reached some more advanced stage of cultural life. He warned that this kind of debate is not a sign of our intellectual coming of age, that we are still far from the

level of European intellectual debate. In some parts of Europe, he added, "it is possible to find a real interest in *ideas*, which brings large audiences ready to talk about philosophy with a passion and vitality that is hard to find here".

While literary debate of one kind or another has achieved new prominence in the media, the form of that debate is far from commendable. Given our two-team mentality, as the true binary thinkers that we are, we have an either/or culture. There are only two sides. Despite all evidence to the contrary, we persist in believing that there are only two positions, and both, it turns out, are bunkers.

Robert Hughes has talked of "the shock of the new", but it seems to me our cultural life continues to offer the shock of the old – the shocking persistence of old patterns of thinking that can no longer accommodate the waywardness and ambiguities of the present. In these postmodern times, we still settle for the binary either/or, what Brian Castro has called "the prison of logic" – and it has many inmates, protesting shrilly against parole.

The particular literary debates which have featured recently are of course the Demidenko affair together with the Miles Franklin controversy, the debate over postmodernism and anti-semitism, the Garner controversy after the publication of *The First Stone*, more recently and more mildly the Mudrooroo revelations, Christopher Koch's speech at the time of accepting the 1996 Miles Franklin Award, a speech Luke Slattery described as "criticism, if not demonisation, of post-structuralism" (*Weekend Australian* 6/7 July). And now the matter of the Murdoch Press and the Australia Council – to which I shall return.

The Garner teams

The literary communities of Australia are fraught with internecine scuffles, occasionally blowing up into larger literary fisticuffs. But there are so many boxes of allegiances, it is often difficult to identify the battle lines – at least until a big issue comes along that cuts a swathe through existing alliances and sends everyone scattering – a kind of quick literary replay of the Lindy Chamberlain case.

Throughout the Year of the Helens, we saw debate conducted on the two-team basis. In Canberra early last year, on the Saturday during the writers' festival, the first reviews of Helen Garner's book, *The First Stone*, were there at breakfast and read eagerly. At the festival dinner that night, the buzz topic was Garner's book, like a nervous tic running through the literary community, everyone scurrying for a place, watching anxiously to see who thinks what. Frankly, there are only two teams, it is vital to be on one of them. Frankly, it was not a pleasant sight.

Age journalist Virginia Trioli, in her new book *Generation f*, recalls those first few weeks of the Garner controversy similarly: "If you stood

around listening and waiting too long you were left wandering without purpose while everyone else had taken sides". It was, she says, a "dance-to-the-death" (p. 8).

What seems to me alarmingly true is that the spirit of the times is still team-spirit – two-team spirit, Biblical, binary, a fundamentalist, deadly dance. In these post-Christian times, we settle for Biblical thinking: two teams, good and evil, an old-fashioned Biblical stand-off – in Australia in the 1990s.

A second snapshot of the *Zeitgeist*

In *The Culture of Forgetting*, his book on Demidenko and the Holocaust, Robert Manne pointed out that "in cultural conflicts of the Demidenko kind, few participants are not plagued by inner doubts". The workings of *doubt* are probably the last thing any of us would associate with the public debate about Demidenko and that particularly tumultuous "dance-to-the-death".

Twelve months ago, amid the furore of the Demidenko affair, "a snapshot of the *Zeitgeist*" was taken, a phrase used by Michael Heyward of the Ern Malley affair. Like any snapshot, it showed us all caught still, frozen in time in a way that could not permit any manifestation of doubt. Again there were only two teams with that simplistic binary thinking which we are collectively so fond.

Now a year later, much of the bitterness and vituperation that surfaced in the Demidenko affair remains intact. The positions, it seems, are still fixed. Like Antonioni's film, *Blow-up*, where a photographer thinks he has witnessed a murder in park and enlarges the film, searching for clues in it, it is as if we are still searching the same snapshot for clues. What did we witness? The fate of the scapegoat? A witch-hunt (though there was some competition for the role of the witch)? Or the workings of a delusion played out in a disturbingly public way? A cynical manipulation of the media and the literary community? Preposterously, Professor Dame Leonie Kramer would have it that we witnessed a *fatwa*. It was indeed a blown-up image of the times, but what it captured was nothing so singular as *fatwa*, witch-hunt or hoax.

At the outset of *The Culture of Forgetting* Robert Manne reports, "I experienced the gulf between my reading of *The Hand* and that of others as puzzling, dismaying and disorienting." It is in a sense a statement that holds collectively too: culturally, we were not prepared for that gulf and collectively we experienced that disorientation. But we did so in the eye of the camera and positions adopted at the outset rapidly became fixed and intractable, a "dance-to-the-death" set in stone.

Imagine a second snapshot now – a year later. The cultural after-shocks of the Demidenko/Darville affair continue to affect many areas of cultural debate – the way we talk about multiculturalism, racism,

history and the teaching of history, politics, morality, the media, the arts, the activities of English Departments, the role of academics in public life, authenticity, literary awards and indeed the nature of the “self-conscious novelistic traditions” in which Darville and/or her lawyer attempted to place the book.

A year after the height of the tumult, can we grant one another our different positions? Probably not. It’s too soon: the cultural wounds are too deep and the whole affair has proved both exhausting and beyond resolution. Despite Robert Manne’s point about hidden doubts, in many senses, it is still not possible for doubt to manifest itself publicly.

Recently the National Book Council has been organising a two-day seminar on “Authors, Authenticity and Appropriation”, to explore some of the issues that have arisen in the last few years about journalism and fiction, truth and fictional representation, issues of appropriation and authenticity – and many other related topics. Correspondence with a few of the key players in last year’s Demidenko affair convinces me that the bitterness and damage from last year still prevails, that positions adopted in the eye of the camera twelve months ago have not shifted at all. In other words, a second snapshot now might well be identical to the first.

Robert Manne’s book on Demidenko and the Holocaust is a persuasive and compelling account of that most cacophonous episode of Australian literary history, as he explores his own sense of cultural destabilisation and the undermining of his assumptions about Australian intellectual culture and its awareness of the implications of the Holocaust. Reading his argument against the position of, say, Andrew Riemer, I found that it is not possible to equivocate. I have to say that I am persuaded by Manne’s viewpoint and not by Riemer’s.

Manne’s view is of course that the Demidenko novel is “shallow, banal, cold, historically ignorant, ludicrously inadequate to its subject and anti-semitic”. I cannot agree with Andrew Riemer when he argues in *The Demidenko Debate* that it is a novel symptomatic of late Twentieth Century literature which “cannot portray states of remorse or evil” and that “Fiona’s voice is . . . the voice of contemporary fiction”. Nor can I agree that the dismay about *The Hand That Signed The Paper* is “a dismay . . . at the condition of the modern world itself”. Not that its detractors, as Riemer suggests, single out the novel “to bear the brunt of their agonised onslaughts against spiritual aridity”.

After reading *The Culture of Forgetting*, I am decidedly with Manne. But that, self-evidently, is still playing the two-team game. In time there might be a book which can accommodate the whole spectrum of positions, which can grant the positions of us all. *The Culture of Forgetting* is not that book: it is too soon. We persist, it seems to me, in a two team line-up of detractors and defenders of the Demidenko novel.

We are still incapable of seeing that there are multiple positions, vastly different concerns and vastly different kinds of doubt. For me, issues to do with the Miles Franklin over a two year period ride high. For Riemer, a notion of late Twentieth Century literature rides high. For Manne, riding high are attitudes to the Holocaust in 1990s Australia – and his sense of “the culture of forgetting”. That is just three of the multiple positions on the Demidenko affair.

Silence brings me to the Murdoch press and the Council

At the moment there is considerable ferment in the literary communities about the new *Australian* magazine and the funding of it by the Australia Council. For those not familiar with this matter, I refer to the recent decision by the Australia Council to give a reported \$176,000 dollars to *The Australian* newspaper. The money is for a new monthly magazine, to encompass both Australian and overseas material and to include longer articles and reviews, reportedly a tabloid of some 32 pages. The first issue of the new magazine is due next week, to be edited by *Australian* staff member, Shelley Gare, and distributed free with *The Australian*. The money is for the purposes of paying Australian writers for their contributions at the rate of \$1.00 per word.

I believe there are serious implications for Australian magazine culture – despite the assurances of Michael Lynch, General Manager of the Australia Council, that this money comes from separate funds for “audience development”, and that it will in no way affect the magazine-funding activities of the Literature Fund itself. I think there are serious implications for the development of Australian magazine culture in general – and for *Australian Book Review* in particular.

When I think now, in this context of *High Noon*, it is the silence of the townspeople that comes to mind. I am amazed at the discrepancy between the public and private debates on this matter. In public, there has been largely silence. In private conversations with numerous members of the literary communities, I am very conscious of a widespread sense of outrage, however, but also a sense of the ridiculous. That sense of the ridiculous is apparent, for example, in a recent suggestion by Cassandra Pybus, editor of *Australian Humanities Review*. Pybus believes the audience that most needs to be developed for Australian writers is overseas. Therefore she proposed (in the letters section of the current *ABR*) “that the Australia Council give about a quarter of a million dollars to Bill Gates to put Australian writing on the World Wide Web”.

But whatever the private misgivings about the new magazine, in public few people have commented – even though this is potentially one of the most significant developments in Australian literary culture in recent decades. Significant, because of the potential damage to

existing magazine culture and significant too, because of the potential benefit to Australian culture – if any new Australian magazine is to work. There are many people who believe some form of new literary magazine is highly desirable. I believe it was crucial that such a new magazine be independent, whether it came to us through the development of the existing *Australian Book Review* as I proposed to the Literature Board (as it was then) in March 1996, or whether it was through the founding of a new magazine. There are people in the literary community who, in spite of profound misgivings about the new *Australian* magazine, believe it should be supported – because if it fails, we may not have another chance of such a magazine for a very long time. All the more reason, in my view, that the founding of this magazine should have been accompanied by a little public debate.

That debate has been by-passed by the decision of the Australia Council. The debate about the independence of any new magazine has also been by-passed. So too the debate about the nature of any new magazine – about what our culture requires from a new magazine. An imitation of overseas models? Or a format shaped for Australian needs? These and other relevant matters have been dismissed as a result of the Australia Council action.

Forget *High Noon* for a moment. *Lone Ranger* comes to mind, when I think of my repeated attempts to generate public debate on this matter. Now, in the latest issue of *Australian Book Review*, Humphrey McQueen has spoken out in a forthright way on Mass Murdoch and the Australia Council. His article includes a call for a boycott of the new magazine. It is of course *fait accompli* and the call for the boycott is as futile as my own protests have been. But McQueen believes, as I do, that such a culturally serious move by the Australia Council should not go unremarked. He concludes by stating that in his view,

By throwing its mite behind the might of Mass Murdoch the Australia Council has failed to live up to its responsibility to direct its funds towards the fostering of culture independent of foreign-run monopolisers.

I do not assume that everyone will agree – but we should be conscious that it is happening and we should be discussing it. Discussing it – without being driven to showdown.

Academics and journalists

Which brings me to yet another two team split. One of the issues highlighted during the Demidenko affair was the conflict between academics and journalists. Last year, there was much debate about access to public space and the nature of the watchdogs guarding public space – and there were many charges against literary academics for not speaking out. It seemed to me, the most heated accusations were by journalists – and, curiously, often based on a naive notion of the processes of gaining access to public space.

In Australia it seems to me there is a major cultural chasm between the academic world and the world of journalism – and there are many people who do not wish to bridge that chasm, but prefer to ward off interlopers and put guards on the crossing points to protect their territory.

A few years ago, a professor at a Victorian university suggested that literary journalists who do not use the proper academic language of semiotics and deconstruction are “literary derros”, apparently shabby, destitute creatures wandering homeless around the intellectual city, unable to gain access to the rich critical fare that more upright and prosperous literary citizens could enjoy. I seized on the term gleefully and immediately declared myself a literary derro.

It is easy for literary derros, presumably a kind of low-Other, to mock the vocabulary of the upper classes, but the issues are critical: by building a wall around ideas and demanding an exorbitant and preposterous vocabulary as the ticket of entry, such terminology excludes many readers from the cultural arena.

Another literary derro, novelist and critic Gore Vidal, once wrote a splendid piece on critics as literary gangsters, from the “neighbourhood thugs” and “edgy hoods” waiting for a chance for a heist on innocent passing authors, to “hit and run journalists” or the critic who “prowls the criminal night, switch knife at the ready”. Certainly we have a few gangsters in universities and some freelance hoods determined to notch up a few literary kills, but we have few of the species maverick. Not the card-sharp and likable rogue from late 1950s television, but the intellectual rover, wandering freely outside the walls of the academy.

If we want a vital cultural life to which we all have tickets, we need more mavericks – not more marshals and not more outlaws. Not gangsters firing at random and not poor derros hungering after rich man’s fare, but mavericks, well-fed, stylish and spruce. On second thoughts perhaps the 1950s television *Maverick* is right after all. He was not deft with a gun and avoided gunfights, preferring to outwit the blackguards and gunslingers of his time. After all, I’m suggesting a little cultural debate, not a cultural showdown at the academic coral.

Conclusion

Which brings me back to *High Noon*. So if we do indeed have a culture of showdown, what is the result? It seems to me, the effects include: increasing polarisation, the demonisation of those with whom we disagree, in ways that damage our cultural life; suspicion and distrust of public avowal, avoidance of public comment and at the very least a wariness that diminishes the quality of public debate; distrust of the media, which may seem a healthy distrust, but can encourage a primitive level of cultural debate; and in increasing tendency to silence and apathy.

In one of Peter Carey's short stories, a soldier stands in the middle of nowhere alone at his post on a line of electrified fence, which shimmers away in the distance. His job is to prevent unauthorised people from crossing the line, a duty to be carried out in ignorance of the length, status and function of the line. In isolation, ignorant of what the line divides or contains, he loses all orientation and confuses east with west, inside and outside.

The image of Carey's soldier comes to mind because of the deliciously binary nature of his task. There are many electrified fences at the crossing points of Australian cultural life – and many disoriented soldiers stationed at them, whose job it is to stop unauthorised crossings.

Gary Cooper won the gunfight in *High Noon*. Wyatt Earp won in *Gun Fight at the OK Corral*. But, in Australia in the 1990s, only a few years from the new millennium, can we afford to continue running our cultural debate like a showdown at the OK Corral? Can we afford to continue this cultural "dance-to-the-death"?

Erratum

The final lines of Janice Kulyk Keefer's article "For and Against Multiculturalism: Could the Demidenko Scandal have happened in Canada?" in *The Sydney Papers*, Volume 8 Number 3, should have read:

To borrow and, I hope, "redeem" a passage cited in the "Acknowledgment" to *The Hand That Signed the Paper*:

There are many stories in the world. People speak; stories are passed on. Stories and words have a life of their own, but only if others listen.

And only, I would add, if we listen carefully and responsibly to our "others".

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Photo - David Karonidis

Lord Chadlington

Peter Gummer, now Lord Chadlington, is founder Chairman of Shandwick International plc, the largest independent public relations group in the world. He is also Chairman of the Royal Opera House, Covent Garden. On Monday 9 September 1996, Lord Chadlington addressed The Sydney Institute to reflect on the relationship between business and the arts.

BRITISH BUSINESS

AND THE ARTS

Lord Chadlington

What I'm going to try to do is to develop an argument about the role of business in the Arts, by looking at the way that business is changing and how fundamental that change is. In particular I want to look at the threat which I believe technology presents to the culture of the civilised world and the way in which that threat could affect the development of the Arts not only for participators in the Arts but also viewers of the Arts. Then there is the question of funding with specific reference to the British market and perhaps I can suggest a way in which business may begin to fulfil a specific role in the development of the Arts and its protection.

My father is a priest. If I was giving a sermon I would choose a text. And the text I would choose is the following. It's a quote from a man called David Pascal who is the Chairman of the National Curriculum in Britain. This was a part of a lecture he gave to the Royal Society of Arts:

All of us can appreciate moments of truth, of beauty, of pain through our responses to a moment in music, art, literature and painting. These experiences and what we make of them lie at the heart of our humanity. They are fundamental to the soul of the person we are and to the soul of the person we become. To leave the ground of the cultural dimension in our lives to chance, is to take a dangerous route both for individuals and for the society to which we belong.

I believe in the truth of that quotation intensely. I'm fundamentally, as has been indicated, an entrepreneur. I've never worked for anybody in my life although I work for my own staff, I work for my clients and I work for my shareholders. But I don't report to anybody day by day except them. An entrepreneur is fundamentally somebody who looks at the world and at trends and says to him or herself, "What can I do to understand those trends and what can I do to anticipate their effect on society?" So I spend my time going round the world looking at trends. I'm going to give you four stories. They are very short and they are very simple, but they illustrate a change in our

society. You will probably know two or maybe three of them. But here they are:

- We work for a blue jeans manufacturer in the USA. I was in America a week or two back and the manufacturer showed me a system they have introduced there by using the Internet. You go onto your computer and where you can find a series of styles of jeans and a series of styles of fabric. You measure your waist, you take your leg measurements and you put them into the computer. You push the buttons for the style you want, you push the buttons for the fabric you want and then you tap in your Mastercard number. Seventy-two hours later, delivered to your house or your hotel room, is a pair of jeans handmade to fit you. Think of the impact that will have on the way we shop. Think of the impact of that on the human interaction which is the normal part of our everyday life. Think of the impact of that on the way that we buy anything because it means that there will be no stock. It will mean as society develops everything will be tailor-made.
- Another story. I'm a director of the largest financial institution in the world which specialises in mortgages. It's called the Halifax Building Society. We go public next year. We have a market value about £14 billion. It's a big business and we have an estate agency. I'm fascinated by the way people buy and sell capital goods. In Los Angeles I saw how computers are changing the way we buy houses. If you want to live in a property which has three bedrooms, two bathrooms, swimming pool, two and half acres, eight miles from the centre of town, you tap it into the machine and the machine will come back and tell you the properties which are available. If you like the look of one of those properties then you indicate that to the machine and the machine takes you inside. It takes you on a trip around. They have a wonderful little camera which takes you inside the hall and upstairs and shows you the views from the windows. And if you decide you like the look of that, then you can actually physically leave your computer and go and have a look at the property. If you decide you like the property the firm guarantees that they will provide you with a mortgage. All the paper work will be completed between 10 and 15 minutes later. It used to take six to eight weeks the way to remember it. Think of the effect of that kind of thinking on jobs, on finance and again on banking.
- We have offices all over North America. We've been considering closing them down! More accurately, everybody could work at home because the major cost in our business is office accommodation. And it's office accommodation which clients are less

and less happy about paying for. Why should they pay for office accommodation they never go to? What is the point of us working in a building when we can actually be connected by a computer? But you can have all kinds of problems developing as a result of that. Most particularly, no brand loyalty for the business, no loyalty from the business to the employee. But imagine what our cities would be like if we didn't have any offices in the centre of them? If people didn't come to work? Although that particular trend has not diminished our ability to do business at all.

- My fourth and final example is that of video conferencing and virtual reality meetings. We now have systems on test to enable us to have virtual reality meetings which will mean that we don't have to see anybody. It will all be done from our own offices.

The point I'm making all the way through this is that what is happening to our society is that we are removing from it the basic nature of social intercourse. We are taking away from ourselves the ability to understand human relationships – one to one and even in a group. What is going to happen to social manners? From where are we going to get values to do with morality if increasingly religion fails to provide it? Where are we going to get courtesies? Where are we going to find aesthetic values? There are those who may argue that these aren't very important. They may argue that Art, which I think is essential to our life, isn't so important. But if you look back over time, you don't talk about the golden age of politicians or even of economic ups and downs. What we talk about are golden ages of culture. We talk about golden ages which have gone from generation to generation. That's what we live for. They are the lasting values.

A couple of quotes to make the point. John Kennedy – not a man whom I would immediately label as a supporter of the Arts – said, “The life of the Arts far from being an interruption, a distraction in the life of the nation, is very close to the centre of the nation's purpose and is a test of a nation's civilisation.” I agree with that. In fact, I would probably put the word “culture” in, rather than the word Art. And I would agree with Matthew Arnold's definition of culture as simply being the best that has been thought and said in the world. That's what we have to nurture.

I was touched by reading the new book about Richard Wagner on the way over here. He had an extraordinary thought when he said that “in drama we must become knowers through feelings”. And feelings in my mind so much depend on the nature of human relationships. So the question that I ask myself, in a borderless, technologically-led world, is who is going to protect and nourish the best that has been thought and said? How will our children learn to make that leap from feeling to

knowing? And how can we continue to create a society which passes the test of being a civilisation?

In Britain we're going through an artistic revival of quite extraordinary proportions. In London we have two opera houses – the Royal Opera House and the English National Opera – where opera is sung in English. We have six hundred thousand people a year going to those two places. At the Royal Opera House we have an outreach program with students, involving 70,000 students every year. We have a hugely successful new opera house in the countryside of Sussex which has been a private triumph for Sir George Christie. We have successful companies in Scotland, Wales and in the north of England. We have touring companies called the Pavilion and Pimlico Touring Companies. We now have a situation in which seven per cent of the adult population go to the Opera. That's up 25 per cent in the last decade. Broadcasting radio and TV are suddenly bringing home enormous quantities of opera on to the television sets. People are clamouring for more information, for more Art. And it seems to apply to everything. We have it in classical music. We have it in the proms. We have it in the development of radio, the huge success of something called *Classic FM* – 24 hours a day, seven days a week, classical music. *Radio 3* – ballet, theatre, visual arts. They are all things which are doing extraordinarily well. Fifty million people in Britain now go every year to our museums and art galleries. Forty million go to our historic houses. Put that into context. Half that number go to football games. So it has become an enormously important part of our lives. The problem that we face is to pay for it. Because we have created a society which believes that the box office cannot be the sole source of payment.

In the United Kingdom we have a similar system which I understand applies in Australia, of pluralist funding. We have five strands. We have the public sector first, which is primarily the Arts Council of England (there is one in Scotland, Wales and Ireland as well) which administers revenue funding. I've learnt to call that recurrent funding since I've been in Australia. Recurrent funding is about £180 million. (In a moment I'll tell you about the extraordinary success of the lottery and how that has worked to change the face of the Arts in Britain.) The second main source is business. Something called ABSA (Association of Business Sponsorship and the Arts) now puts about £70 million a year into the Arts from business, up from just under £1 million 20 years ago. There is a huge growth in business support. The third area is local authorities. The local authorities put a lot of money into the Arts. They now have a one per cent levy for libraries. They have to put one per cent of their incomes into libraries each year. The fourth area is that of benefactors – rich people who have put enormous amounts of money back into society. This has been hugely successful. In fact in the development of the ROH (Royal Opera House), if we didn't have John

Sainsbury and Vivien Duffield from the Clore family we would find it very, very hard to raise the money we need for the Opera House. And finally we have box-office itself.

These are five ways of funding the system. However, it's all subject to economic ups and downs with no exception. Although government may well assure us that we will get the same amount of money next year that we got this year, it doesn't always work like that. Even government money is not quite as secure as one would like it to be.

One extraordinary thing, however, has happened. It's the lottery. An extraordinary success. I chaired and started the lottery for the Arts in England. The lottery raises money the normal way the lotteries do and it provides money to five good causes – the Arts, sports, heritage, charities and ways to celebrate the millennium. They have given a seven year licence with a firm called Camelot. Of all the money that is raised, 28 per cent goes to good causes, that is 5.6 per cent to each good cause, 12 per cent in tax, 50 per cent in prizes and 10 per cent in costs. In setting up the lottery for the Arts, we told interested parties that if they met eight criteria they'd be eligible for the money. Briefly those are:

1. It has to be for the public benefit. In other words it can't be for private gain.
2. It has to be a financially viable program. If it's not financially viable then by giving money a project will fail faster.
3. It's got to have a level of partnership funding. Ten per cent for less than a £100,000 funding for a project, 25 per cent for more than £100,000.
4. It must be a high quality of design.
5. It must be a high quality of artistic activity internally.
6. It must be relevant to the local community.
7. There must be high educational involvement.
8. There must be strong involvement of artists.

All the eight criteria have to be met. When I helped start the lottery the government told me we'd get £50 million a year. This was two and a half years ago. It was three months before I took up the job and by then it was up to £75 million a year. At the end of August 1996, there were 2183 applications, 483 had been rejected or withdrawn. They'd made 866 grants for a total of £532,585,946. Currently there are 836 grants going through the system, for a further £570,649,799. So that's £1.1 billion before you start counting. And 75 per cent of those applications are for less than a £100,000. So you are talking of A\$2.5 billion going into the Arts – a sum that none of us could ever have imagined. The money that is coming out of the lottery is such a success that we're now estimating the Arts will get between £250-£300 million every single year to beyond the end of this licence.

All the money, however, is used for capital purposes and this has caused some problems with cash starved Arts organisations, who say

thanks for the money to build this or do this new thing or mend the roof, but we also need recurring money. At the moment there is a great debate about how the rules may be eased to allow some of the money to be used for more experimental work and so on.

So far it's all for buildings, bricks and mortar or some sort of equipment. But we are looking at ways to ease the guide lines. For example to help with young people which I think is very important. And also at ways to stabilise the businesses of Arts. Organisations have been buffeted by economic recession and they want to put their balance sheets right. The thing I'm most excited about is the Outreach work. Because we find that business and young people go together extremely well. Business likes the idea of doing things for the young, particularly sponsoring programs, matinees and so on. Often they will choose what program they want to put on. I went to one of the schools' matinees and it was wonderful to see how excited the students got. The Opera House is always so serious, everybody is dressed smartly and the evening is important. But when you get 2000 youngsters in the Opera House and they boo the bad singers and they cheer when the hero comes on and they shout when they see the conductor, it's a wonderful involvement.

So in this brave new world, what I'm asking not just British business but world business is where is the support is going to come from? You see it's not going to come from governments because in practice, in truth, governments don't really like the Arts. Governments find the Arts worrying. They find them disturbing. They find them asking questions they don't want to have asked. They find them discombobulating. So what governments do is lump the Arts together into an organisation that will have in it the word "heritage". They will put in things like "media", "buildings" and "tourism" because then they can say well all this is going to help our balance of payments. The UK cultural industry is worth £14 billion pounds a year. The same size if you like as the British motor industry. It generates £4 billion of overseas earnings. It employs 500,000 people. It produces enormous amounts of VAT.

But the vast majority of that is not the Arts as I talk about the Arts. The vast majority is about other things. So business has to start doing some things itself. This is what I mean when we talk about how business is becoming borderless, and internationally and technologically strong. With that huge change to our society comes a responsibility to use the wealth creation which is following it. Wealth creation means that business has to help maintain a culture in the countries in which it operates. That culture must at least involve the following things.

Business should provide money, because if business provides money, it's easier to leverage money out of government. Secondly,

business should provide management. Arts organisations are jolly good at Arts and often unsophisticated at management. I'm exaggerating the point to make it, but in the vast majority of cases Arts organisations are extremely good at producing what we see on the stage, but making the finances work and running the organisation is not what they do particularly well. Business could be of major help in that particular direction. Then there is sponsorship which I'm very, very keen isn't forgotten. And finally business could add lobbying skills to most Arts organisations.

So my conclusion goes like this. As business opens up enormous opportunities and operates across borders, over the heads of local governments, over the heads of national governments in international markets, it has to accept that to generate global wealth brings with it the responsibility to ensure, as David Pascal said, that "to leave the cultural dimension in our lives to chance is to take a dangerous route both for individuals and for the society to which we belong". Business has certainly made the environment a central part of its future. It should take the Arts to its heart as we move into the 21st Century.



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Photo - David Karonidis

George Miller

The Larry Adler Lecture for 1996, held at The Regent, Sydney, on Wednesday 11 September 1996, was given by Australian film maker George Miller. Best known as the co-producer and co-writer of the award winning film *Babe*, George Miller is also a partner in the Kennedy-Miller production company. His long list of successful films includes the *Mad Max* films, *The Witches of Eastwick* and *Lorenzo's Oil*. George Miller was introduced by Sydney Institute Chairman Rob Ferguson and the vote of thanks was given by playwright David Williamson. MC for the evening was Meredith Hellicar, a member of the Board of Governors of The Sydney Institute. The 1996 Larry Adler Lecture was proudly sponsored by Telstra.

THE APOCALYPSE

AND THE PIG: OR THE HAZARDS OF STORYTELLING

George Miller

This situation is not without its risks. You sitting there, attentive. And me with a chance to put some ideas forward in a much longer form than usual. So each table has been issued with a whistle. Gerard Henderson suggested that if the going gets a little heavy, I could throw in one or two snappy anecdotes about Hollywood. So if you feel your eyes glazing over, you know what to do.

Meanwhile, I'll take you through some of my adventures in storytelling in the hope that a few notions might be useful.

Visual music and public dreaming

When I first took to film-making, my approach was very straight forward, I was interested in the pure plasticity of film. I was struck by Jimmy Stewart's lovely phrase when he described film as "pieces of time" and each length of celluloid, cut to cut, running at 24 frames a second is like that, a little piece of time you can hold in your hands. I was intensely curious about how you join these pieces together like notes on a piano. To me, films were visual music.

My first movie, *Mad Max*, was pure and simply a piece of visual rock and roll. What I didn't know at the time was that there were larger impulses at work.

As the *Mad Max* films made their way around the planet, they seemed to resonate somehow, culture to culture. To the French, these were post-modern, post-apocalyptic westerns and Max was a gunslinger. In Japan, he was an outlaw Samurai. In Scandinavia, a lone viking warrior. The movies had tapped into the universal hero myth and I was given a taste of what Carl Jung was on about when he described the collective unconscious.

Here it was, first hand. And I, despite my creative vanities, was its unwitting servant. I was reminded that films, like all storytelling, have deeper dimensions. And I learned to look beyond the obvious, to feel out *subtext* where one is likely to find more elemental truths. Films are like dreams. When we congregate with strangers in the darkness of the

cinema, it's a kind of public dreaming, where we process, mostly unconsciously, the more insistent concerns of our lives.

Further connections

Jung might have described the terrain, but Joseph Campbell is the consummate guide. Until Campbell, I often wondered why I was mucking around in the film industry, indeed why any of us have this urge to communicate through narrative.

I learned from his dazzling scholarship, for instance, that the same stories arise spontaneously across time and space and are told as a way of connecting ourselves to all that has gone before and all that will come after.

Because I'm a storyteller, I sometimes have a privileged view. In the mid 1980s, we wanted to shoot one of the *Mad Max* movies at Kata Tjuta (that place previously named after someone called Olga). Now, to the Aboriginals of the central desert, this place is sacred – every bit as holy as a cathedral, a temple or a mosque. We were required to sit with the tribal elders of the Pitjantjatjara and present them with our story. We described the scenes, and showed them our storyboards, and they responded with a short dance. They were excited; they had heard the *Mad Max* story before. Many of its motifs and archetypes corresponded to some of their own.

So here was this popcorn movie saga, and here were the custodians of a culture 40,000 years old, and once again the connections were being made, but now across the expanse of time.

The narrative imperative

Somewhere in our neurophysiology, we've been hardwired for story. There is a kind of narrative imperative – we can't be without stories and we find them where we can.

Out there in the calamitous give and take of life, we look for coherence. Patterns, beliefs, signals amongst the noise. It's one of the things humans do. We strive instinctively to distil meaning out of life.

So all of us, carry highly personalised narratives. They make up the mosaic of who we are and what we believe. Most of the time they are implicit or subliminal, because we don't apprehend life by the intellect alone. Woody Allen was right, sometimes the cerebral cortex is a highly overrated organ. So we have this lovely mechanism to weave the ineffable, the mysterious and the diffuse into stories. We suck them out of the zeitgeist and carry them like a set of tools to help explain the world and to guide our way through it. When there is an interconnected set of stories, we call it a mythology. When it's shared by a group of people, it becomes a culture.

Sometimes, it's just a culture of two, shared with a friend, a lover, a mother. Sometimes, it's corporate, an institution, a multinational, a

football team, a city, a nation, and at its most potent, it connects the entire expanse of space and time.

That's one of the deepest functions of mythology, to give us context, to connect us. To help us embrace the numinous – that sense of dread and awe we feel when confronted with the immensity of time and space. Those kinds of mythologies are so potent, they become the great religious movements.

Storytelling is a force of nature. There should be one of those warnings stencilled on the container "Hazardous material" or, at the very least, "Handle with care".

The lost tribe

You may remember that extraordinary event in the early 1970s when they discovered a tiny clan of about 30 cave dwellers deep in the forests of the Philippine Island of Mindanao. Their life was astonishingly simple, they hadn't yet learnt to hunt, they just gathered.

And they had no rituals, no marriages, no funerals. And for a while, we thought that we'd come across an authentic community from the middle palaeolithic age, a tiny cul-de-sac of human evolution. As it turned out, these stunted naked people were the descendants of a coastal tribe who fled from pirates to the sanctuary of the forest 400-1,000 years ago. The natural historians and the anthropologists were a little let down, but the mythologists discovered something thrilling. This small group of frightened humans had created a mythology *de novo*. Just a few simple stories that explained their universe to them. And their universe was tiny, just three limestone caves on a cliff, 400 feet above a creek and the immediate surround of forest.

Into their mythology, they had woven stories of danger, instructing them how to forage safely and warning them never to leave the caves at night . . . it's probably the reason they survived hidden away for so long.

And one of those stories even provided for a messiah. When they were first discovered, they promptly deified the person who led the expedition . . . a gentle Filipino official called Manuel.

The gift we take from this huddled clan in Mindanao is this – you find your mythology where you can. If it's taken away from you, you'll work with what you've got to fill the narrative void. Think about where you get your narratives from. It comes from your experience, from your affiliations and your shared histories, and mostly it comes without you having to think about it.

So what happens if you are suddenly without them?

The dispossessed

In some parts of the world they are experiencing a bewildering incidence of violent crime. The ghettos of America, post-communist

Russia and post-apartheid South Africa are most often in the headlines right now. And it's not hard to see it's pathogenesis.

In South Africa, we have the appalling example of Soffiatown. Soffiatown was a cultural accident that happened on the outskirts of Johannesburg earlier this century. A developer couldn't shift his tracts of land because the council built its sewerage disposal next to it, so he sold it to the blacks and the coloureds. It was the only place in South Africa where blacks could own land and it developed into a close knit community of extraordinary vitality. During the 1940s and early 1950s it was a cultural hothouse, giving rise to a remarkable generation of journalists, writers, musicians and politicians.

And there were also the prostitutes, the shabeen queens and the gangsters. It spawned the likes of Miriam Makeba and Hugh Masekela, and even Desmond Tutu. It drew the Athol Fugards, the Alan Patons and the Trevor Huddlestons.

Its spectacular success as a community was a direct threat to apartheid, and so, in 1953, the bulldozers moved in, and Soffiatown was flattened. The rubble was cleared, the area fumigated and the 60,000 inhabitants were packed into government trucks and moved on.

In its place they put up a glutinous, Afrikaaner suburb and, infamously, they named it . . . *Triumph*.

The crushing of Soffiatown was, one way or the other, repeated all over South Africa for decades.

It doesn't take too many generations before you are completely dispossessed. It's one thing to revisit, or even recover, a piece of geography. But you can't retrieve your culture, not when it's been systematically destroyed.

If you're an African American male, for example, only a few generations removed from slavery, and trapped in the ghettos – from where do you take your guiding narratives, your codes of conduct, and your sense of honour?

In South Central Los Angeles, they don't all troop off to Emma Thompson movies. They take it from what is nearest at hand . . . from the street, from television. You know the statistics . . . we've heard them so often now . . . the average child in the United States has seen eight thousand murders, and a hundred thousand other violent acts on television before he or she leaves primary school.

The disaffected

Let's look a little closer to home. You're a disaffected white male, seething with free-floating resentments, with not much in your life to give you cohesion or a sense of competence.

You like to watch television, play video games, go to the movies.

You lose yourself up there in the world on the screen. A world

which has little or no moral complexity. Just the rudimentary notion that guns, big guns, are the answer to almost any problem. And the notion is reinforced, not this once, but by hundreds, if not thousands, of similar vicarious experiences.

Notice, by the way, how often in the last half century movies have been touted by posters of men pointing guns.

Then one day you're disinhibited by some mind-altering chemical, by alcohol, psychopathy or some other reality perception problem. This is not too long a bow to draw to Port Arthur, Dunblane and all those MacDonalds stores and post offices in the United States.

Mad Max and Babe

How then do you approach censorship? I think we shouldn't even try. To withhold any information or idea from anyone goes against human intelligence and the curiosity that got us here in the first place. Some people argue it's easy to see the distinction, say, between *Platoon* and *Rambo*, or even, *Taxi Driver* and *Natural Born Killers*. But, quite honestly, I can't even choose between *Mad Max* and *Babe*.

The *Mad Max* trilogy is ultimately about the redemption of a lost soul. The first movie is pretty much a one-dimensional revenge fantasy, but in the second and third, Max is the closet human being who, in the end, rekindles his compassion. Furthermore, by relinquishing his self-interest, he becomes the agent of renewal.

The world he must survive is dysfunctional and full of dread, but then, that is exactly what it is in *Babe*. The very beginning of the film is set in a death camp, with Babe's mother being taken off to slaughter. For two thirds of the story, the lead character has but one destiny – that is to be eaten by a serial killer, the farmer's wife.

It's an old argument, but who makes the judgement call? And where do we start? At the more brutal passages of the Old Testament? Euripides? Shakespeare? Which fairy tale? *Hansel and Gretel*? Which nursery rhyme? "*Three Blind Mice . . . see how they run . . . they all run up to the farmer's wife, who'll cut off their tails with a carving knife.*"

Censorship is ultimately impossible. As each day goes by, technology sees to that. It should be no surprise that the fastest growing use of the Internet is to be found in high-censorship states, like Iran.

Broadcast television and the internet

But there is a difference between Worldwide Web and broadcast television, for instance. On the Net, the selecting intelligence is with the individual user; it's more like real life in the sense that it mirrors the normal distribution of concerns; it allows us to join little ghettos of like interests.

It can take you into the Sistine Chapel to study the detail of the refurbishment. You can share the latest joke with your cyber-neighbour

in Poland. Or you can surf down into the nether world and sample some of the more profound evils.

Broadcast television is an entirely different matter. The selecting intelligence is localised with the broadcaster. When it comes to television, Marshall McLuhan was dead right. The medium is the message. TV is that ubiquitous and familiar window, that allows us to watch the outside world from the safe haven of our living room. The received message is this . . . "Here is the larger world as it actually is, and these are the ways you might respond to it".

Broadcasters are very privileged; whatever they choose to show adds powerfully to the mosaic of our mythology. Censorship might not work, but prudence sometimes does.

Causality

The discourse on media violence is reminiscent of the debate on tobacco. It wasn't until the 1960s that we were alerted to its harmful effects, and we'd been smoking the stuff for centuries. Even then, it took a decade or two to do something about it.

Cinema itself is just a hundred years old; broadcast TV not much more than fifty; video and computer games even more recent. Culture, and the technology which facilitates it, is in rapid evolution. To say that there is no hard evidence of the harmful effects of the media violence seems to me to be as disingenuous as the cigarette companies and their medical scientists, who for so long defended tobacco with the same cries.

It's tough for the behavioural scientists. There are no mathematical certainties. You are trying to establish a direct causality but the process is organic, it won't lend itself easily to reductionism. But as a practising storyteller, I could hardly fail to notice that movies and TV impinge on behaviour. As a film-maker, you receive some unusual feedback.

One day a man parked across from our office. Now not only was his costume identical to Max Max's, but so was his car. He didn't want to talk, or engage in any other way. He simply sat there staring ahead, each day, nine to five, for a whole week. Then he left.

A woman called from Ohio after she had seen *Babe*. She wanted the words of the song that the farmer sang to revive the spirits of the pig. She said, her horse was depressed.

An Israeli physicist, diagnosed with a life-threatening illness, was planning the details of his suicide when he happened to see *Lorenzo's Oil*. Inspired by the struggle of the Odone family, he changed doctors and became proactive in the management of his disease. So far, it has gained him four more years of productive life.

I notice how I modify my own behaviour as a result of the movies. As a young doctor in the emergency ward, I was suddenly required to

tell a woman that her husband had just died, when I realised that nobody had even given me advice on how to do it, so I resorted to all those behaviours I learnt from the movies. I shook my head in that same slow, sad way and muttered all the cliches.

But this was also her first time, and she did the same.

How many of us, as kids during the 1950s, jarred our ankles badly when we jumped off the roof of the garage trailing a bed sheet thinking we were superman?

Watch children in the playground as an index of how much we take from American street culture via the movies and TV. The caps worn backwards, the high fives and the gesture "yes!" from *Home Alone*. Indeed, I was working with traditional women in an ancient Muslim village in the north of Kenya, their black bui-buis covering everything but their eyes, and when they'd finished an arduous day's shooting as extras, they, too, started to give each other high fives.

If movies and television influence what we wear, the way we talk, the way we move, the way we play as children, how can we say with conviction that it also doesn't influence our behaviour at a cognitive or moral level? The analogy to cigarette smoking, of course, we can't take too far. As a doctor, I only had one or two patients who tried to convince me that smoking actually improved their health. On the other hand, the narratives we experience through our media have the ability to cohere, amaze, inspire, and to heal.

The privilege of the storyteller

If it's your privilege to be a storyteller, be aware that it's a force of nature. Don't treat it casually. Don't be afraid to address the darkness, or to shock or disturb. Like nightmares when we dream, these stories often have the greatest capacity to heal. They alert us to our pathologies and allow us catharsis.

Think of stories like food, try to provide nourishment. Don't serve up empty calories . . . the mindless can be toxic.

Apply all your wisdoms to your work. If you're game to enter the debate, be broad and holistic in your approach, avoid static, reductionist concepts . . . what I like to call "noun" thinking. The process is dynamic – a verb. So try to see the dynamics of the whole. Narrative practitioners are in a vigorous feedback loop with the cultures they are trying to explore.

Look beyond the obvious. Challenge assumptions. Never foreclose on your understanding. Furthermore, storytelling exists because often it deals with what is beyond the immediate reach of the intellect.

Stories are also experienced in the middle and early brain, so if you approach them with your intellect as your only tool of understanding, be careful. There will be great yawning gaps and conundrums, and the reptilian brain will be waiting, ready to bite you.

Culture rich, culture poor

There are some societies, like Japan, who have a high tolerance for violence in their entertainment, who at the same time have almost no violence in the street or the home. But then the Japanese are *culture rich*. Their unifying narratives are prodigious and resilient, and surprisingly adaptive to the upheavals of the technological age. So the violence on their TV and in their movie theatres is less likely to promote behaviour, rather, it helps them let off steam.

For societies which are *culture poor*, it's a different matter. California is a place where you go to reinvent yourself. Post-war, it was a great locus of social experimentation. So whatever culture it has is constantly shifting. It doesn't have a chance to lay down deep roots. These culture poor societies are susceptible to the quality of the media from which they replenish their myths.

So tentatively, I offer this equation: If you're culture rich, violent media provides catharsis; if you're culture poor, it also provides instruction.

Mythology and sport

I don't want to suggest that all our myth making is confined to the media, the arts, or the church. There are two other arenas where high mythological content goes largely unrecognised. The first is sport.

Sport is the great secular ritual. It ritualises conflict and endeavour, and again, provides catharsis, "make sport, not war" is its catchcry. Finally, it suggests how we may conduct our lives with honour and courage. This is what Campbell calls the "pedagogic" function of mythology.

The heroic figures in sport are not merely those who win, but those who win in circumstances where it is easier to give into despair.

Greg Luganis' career came down to one final dive. Knowing that he is HIV positive, having cracked his head on the diving board early in the competition, he is required to execute a platform dive, rated the highest degree in difficulty. It's known as the "death dive". One chance – and he pulls it off so exquisitely he becomes the first ever back to back Olympic diving champion.

These are sport's transcendent moments.

And then there's the pageantry. The ticker tape raining down on the parade of the returning champions, the trophy, a chalice or a shield, held high above the head of the victor, the laps of honour, the dancing maidens, the affiliation to tribal colours, the obsession with statistics – great deeds transformed into folklore.

This is why we find some of our best writing in the back of the newspaper.

Mythology and science

Now for science.

There is a lovely interplay between mythology, with its impulse towards all encompassing metaphor on the one hand, and the slow small steps of objective elucidation that is science.

Let's take an ancient culture well before Copernicus, for example. How does it explain the weather? Why did the wind generally blow in one direction? What causes the seasons? Why does the temperature change depending on whether we travel north or south? Compelled to explain their universe, they rely on mythology, their stories are created from the known.

So there is a god for each of the four seasons, and a god for the prevailing winds.

Now time moves on. With the help of Copernicus and Kepler and Newton we manage to take some representatives of this polytheistic culture to a vantage point deep in space, when suddenly it all becomes obvious because we see that the earth is tilted on its axis as it orbits around the sun.

Because of this tilt the northern hemisphere receives less sunlight during one part of its orbit than during another. So we have a winter and a summer. And since the earth spins in only one direction – that is clockwise to someone sitting on the south pole – it helps explain the prevailing winds.

So myths lose their power when they are no longer necessary. They evaporate to be replaced by metaphors more relevant to the time.

How amazing then is the resilience of Aboriginal Australian “dreaming”, that it endures after 200 years of European settlement. This was the world's oldest living culture, reaching back at least 40 millennia. After they were done in by disease, despair and outright genocide, there was a systematic attempt to de-tribalise them, to make them invisible. And yet fragments of the culture endure. Its resilience is a measure of its power.

Joseph Campbell had a wonderfully mischievous definition of mythology. Mythology is simply “other people's religion” and religion he described as “misunderstood mythology”. What he was getting at was the danger of concretising the metaphor. Taking the virgin birth, for example, as a biological anomaly . . . or the promised land, a tract of real estate in the Middle East. When you concretise the metaphor, you take all the juice out of it. It loses its poetry, becomes static and brittle . . . then we get into all sorts of trouble.

It may even end in war. In the 1970s in Beirut for example, the promoters of three differing inflections of the same idea of a single paternal God, began unloading bombs on each other. As Campbell wrote, it all comes of misreading metaphors, mistaking denotation for connotation, the messenger for the message.

But back to science.

You may remember this from primary school. When you apply energy, in the form of heat, to a block of ice and we watch it transform first into water, and then into steam. These shifts are called phase transitions – a solid, a liquid, and then a gas. Before this century, that's as far as the story could go, but continue to apply heat, and the molecules are ripped apart into hydrogen and oxygen gas.

Go even further to 3000 degrees Kelvin until those atoms in turn are ripped apart and the electrons are pulled from the nucleus. At a billion degrees Kelvin, the nuclei break up into individual neutrons and protons like that in the interior of the neutron star. Now we need the physics of the middle to late 20th Century, because we go to 10 trillion degrees Kelvin and the sub atomic particles become a gas of quarks and leptons.

Then we apply fabulous amounts of energy – ten to the power of 32 degrees Kelvin, and all the forces known in the universe, the electromagnetic, the strong and weak nuclear force, and indeed, gravity, will be united. That's when the symmetries of the *ten-dimensional super strings* appear.

We are now deep in the quantum realm, and this is the prodigious energy that was the state of the universe at the instant of the "Big Bang" . . . beyond which everything is unknown, and the origin of the cosmos becomes the purview of mythology. Science has given us a simple story of the melting ice cube but it sure takes us a long way.

Mythology accounts for that which is beyond the known, while science, cautiously, in its own good time, probes the borders and with each success claims a little more territory.

I agree with those who say "science is a slower but surer path to God".

As we know, the growth of scientific knowledge is exponential. The more we know, the faster we can know more. We have acquired more knowledge since World War II, than was previously amassed in the entire two million year history of our evolution. No wonder the world's great religions are fragmenting, retreating into fundamentalism, or being replaced by new fads that exploit our innate spiritual questing and compulsion to ultimacy.

For most of the time during the dialogue between the scientists and the theologians, they've tended to talk past each other. But now, more and more, their discourses intersect.

Even the earliest tribes have "origin" myths that explain where they might have come from. And the scientists have got us as far as the big bang. They tell us now that we are children of the stars, that the atoms within our bodies were forged in the cauldron of nuclear synthesis in exploding stars long before the birth of the solar systems. We are literally made of star dust. And, what is so extraordinary, those

atoms that make up you and I have, in turn, coalesced into intelligent beings capable of understanding the universal laws governing that very event.

The dance between science and myth is a gem to watch. Cosmology and theology. You're never quite sure which is leading the other. A final quote from Joseph Campbell:

Indeed the first and most essential service of mythology is to open the mind and the heart to the utter wonder of all being. The second service then is cosmological; of representing the universe and the whole spectacle of nature . . . as an epiphany of such a kind that when lightning flashes, or the setting sun ignites the sky, or a deer is seen standing alerted, the exclamation "aaah" may be uttered as a recognition of divinity.

If you think that this stuff is a little too intangible, I offer the fact that, as a storyteller, my tools are not as simple, unfortunately, as the word processor, or the artist's pen . . . to tell my stories, I use the great lumbering machine of film-making – so I'm big on praxis. To the extent that *the road warrior* and *the pig* may have impinged on global culture . . . you might say, I'm giving away my best industrial secrets.



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Photo - David Karonidis

Mel Hemmerling

Following soon after the Atlanta Olympics, Mal Hemmerling, Chief Executive of the Sydney Organising Committee for the Olympic Games (SOCOG), addressed The Sydney Institute on Tuesday 17 September 1996. Mal Hemmerling was previously Executive Director of the Australian Formula One Grand Prix in Adelaide and has more than a decade of experience in sports marketing and the organisation of major sporting events.

ONE TEAM, ONE

FOCUS: THE OLYMPIC GAMES IN 2000

Mal Hemmerling

I feel tonight a bit like the captain of a football team who has been asked a quarter of the way through the Grand Final to make a speech at half-time. In the time between receiving Gerard's invitation and making the speech tonight, my team has kicked several goals, and made some great plays . . . But one key player has retired and been replaced and another failed to turn up for the kick-off. That aside, I'm proud to report that the rest of the team is "as is" and fighting fit.

I'm honoured to be addressing you tonight and I welcome the opportunity to bring you up to date with the progress of your Games, and to give you the SOCOG vision for Sydney 2000. Let me first tell you of that vision for the Games. Because it's very clear in my mind and in my heart.

At the beginning of our journey we could have made a conscious decision about how we would run this event. We could have decided to do enough to run the Games in a manner that would assure their success to the point where the world would say: "Sydney, you did a good enough job." Or even: "You did a *really* good job."

But we haven't taken that road.

We chose instead to ask ourselves the question: "How can we run the Games to such a level of success that we will lift the Olympic Movement and Australia, to new heights?" That's an obligation we believe we have for Australia and for the Olympic Movement. SOCOG can't and won't let the opportunity go to do it well for Australia, and stand proud on the world stage – a stage that will launch us into a new millennium. And that is the spirit which we have adopted.

But we also recognise that this is Australia, a nation of just some 18 million people. We have an accountability, therefore, to our city, state, country and partners to run the Games responsibly. The reality is that never before has any city or any country had the opportunity to stage the Olympic Games at the dawn of a new millennium. Other cities in the future may well be able to run the Athletes' Games, or the Green Games. Melbourne ran the Friendly Games in 1956. But no city

can ever – at least for the next 996 years – run the Games of the new millennium.

We have that chance . . . And we'll be ensuring that we take advantage of the opportunity. Our new logo is the millennium athlete. And I'll talk more about that image in a minute. But beyond promoting the word "millennium" as part of our marketing, we'll be running a Games which reflects the optimism and excitement of entering a new millennium. A Games filled with promise for youth. For the athletes, for the environment. That's what I mean by the Games of the new millennium.

We've been told by the IOC that no city has been so well advanced in its preparations at this stage, as we are. And because we are, we do have the opportunity to go further than other organisers may have gone. Believe me when I tell you that nothing will stop me or my team making this happen.

There's no arrogance when we promote the fact that Sydney is well advanced in its preparations. President Samaranch himself, and the IOC are the judge and jury there and that's their verdict. When we spoke to the IOC in Monte Carlo in 1993 we were able to tell them that 70 per cent of our facilities were finished or nearing completion. And just two weeks ago we turned the first sod on the biggest Olympic stadium ever to be built. It was the one major piece, we had not started, and now it will be completed by 1999. This wonderful stadium will be a tribute to the Games and a lasting reminder to Sydney, a heritage that will serve the state for years to come.

Last Saturday we placed the first piece in our Olympic mosaic by launching our logo. Why did we need a new one? Well, for many good reasons. The much-loved Bid Logo had no protection, particularly overseas. Everybody had ripped it off. It had quite frankly been used to death. It was also a Sydney logo, with its connotations of the Opera House sails. And we needed a more Australian logo. Michael Bryce designed the Bid logo, and he was involved in the new logo. He prefers the new one.

I'm delighted that our new image has been received so well. I think it proves that it's a logo in which Sydney people can see themselves. The message which it carries is the message of the athlete of the new millennium – that of youth and of going forward and enthusiasm and colour and optimism. Shortly it will appear on everything we do for the Games, on every teeshirt, cap, pin, brochure, envelope, and leaflet.

The international interest shown in the logo has been nothing short of amazing. French television, Italian television, the USA networks . . . all have been scrambling to show their audiences the new image. The Sydney 2000 logo is arguably the first step on our own journey to 2000. It signalled that our Olympiad is here. We're no longer the "next Games" or the "Games after Atlanta". We're *it*. And *it* has started.

In the next few months SOCOG will be announcing more sponsors, launching our mascot . . . and in less than four months the Cultural Olympiad begins . . . the first of four festivals being staged over the four-year lead up.

There's no arrogance when we state the fact that we're ahead of financial targets to date. Our relationship with private enterprise has already set us on a sound financial footing. At this point, four years from the Games, we're well down the path to our goal of raising more than \$2 billion. More than half of that is contracted and we are finalising other sponsors as we speak. Licensing agreements have been struck with some seven organisations and at least another dozen are about to be finalised.

We have sponsors, which we call our team millennium partners, in the categories of banking, airlines, technology and telecommunications, soft beverages, credit cards, consumer electronics, industrial products, computers, insurance, electricity, shopping centres, magazines, imaging and reprographics. And others are about to sign. These are the touch-downs we're making. But it's also important that you understand that we recognise that there's a long way to go.

We have a healthy appreciation of the gargantuan task which lies ahead. Atlanta taught us some valuable lessons, and while major issues such as technology, transport, and security had been on our agenda for more than two years, we did have our focus sharpened by the experience.

I'd like to share with you some idea of the challenge we're meeting, because I don't think many fully appreciate the magnitude of the task. What it all comes down to – what it builds up to – is running the biggest sporting event in the world. That's our one reason for being. And to run such an event, we need a very substantial organisation.

SOCOG is arguably the fastest growing organisation in Australia. At the moment we have some 138 full time employees. But in less than four years, we'll have 1600, plus 3500 part-timers – plus another 40,000 volunteers. Then within a few short months, SOCOG will be closed down. In that time, however, we'll have risen to the size of a Fortune 500 company. We'll have divisions which will be the equivalent of some of Australia's biggest enterprises.

Our host broadcaster, for example, the Sydney Olympic Broadcasting Organisation (SOBO), will be filming some 3,500 hours of television. And we'll employ up to 3000 people who'll be making that footage available to world television networks that are the world rights holders. SOBO will be a two hundred million dollar company. And that is only one part of us – a small part.

When we look at the sport itself we see that the Olympic Games are the final event in what will be a flood of world championships and test events. In 1999 alone, virtually every sport will stage a test event and at a magnitude not much less than the Olympics. When we look at

yachting for example, we see that the fleet in 1999 will contain some 800 yachts – double the size of the actual Olympic event the following year. So the sporting spectacle for Australia over the next four years will be much wider than just the Games.

During the Games itself, however, in September and October 2000, we'll be running the equivalent of 27 world championships all at the same time with up to eight million spectators at the venues and 3.5 billion people watching around the world.

Believe it or not, there are 135 different competition and non-competition venues involved in staging an Olympic Games. There are the 35 venues for the actual competition and there are 100 venues for training, plus five villages, eight operations centres, an international broadcast centre, a main press centre and a sponsor hospitality village. The athletes' village alone, at the time of the Games, will be one of the largest cities in New South Wales with around 30,000 people living there each day for a total of 35 days. And each needs its own comprehensive management plan. At the airport alone our processing area will handle up to 200,000 people at a time in peak periods.

Accommodation needs are being addressed very thoroughly – and they bring their own fun. We could have up to 14 ships moored in our harbour. We are planning that three major hotels will be totally dedicated to handling the Olympic family alone.

SOCOG's marketing efforts are the biggest ever staged in Australian history. The consumer products program alone will seek retail sales of around one billion dollars. To put that in perspective that's just short of the total retail sales of say, Harvey Norman – in a year.

Tonight I want to tell you that my vision is not just to run a Games good enough to be accepted around the world. I believe we can go beyond that. I believe we will go beyond that. My goal and the goal of my team is to create an Olympic Games which sets new standards in organisation, in modelling the Olympic ideals, and in celebrating the sheer joy of Olympism. That's where we've set the bar – that's where we've set our sights. Sydney, New South Wales and Australia will all be the beneficiaries. We'll achieve this aim because we will work as a team. And we'll do it in a way that makes the world sit up and take notice.

I really believe we can create something historic. So that's my goal and that's the goal of my team.

I want to talk for a minute about Atlanta, for you only have to read the newspaper to know that along with the wonderful sporting achievements there were some lessons. You'll have read about the technology, transport and security issues. As I said, they had already featured strongly in our planning and they're certainly issues, along with many others, which we're addressing. But if there was a single direction for us from Atlanta for me as Chief Executive Officer of SOCOG, it's contained in the words: "Solidarity", "Commitment" and "Delivery".

You see, government – any government – cannot run the Games. Private enterprise can't run it either. And the Olympic movement needs the help of both. That's the rare opportunity that exists for SOCOG as the Olympic organisation which has been charged by the IOC with staging the Sydney 2000 Games. Through building one team, with one focus – by working together as a single unit, in solidarity – we'll reach our goal. We'll make the world sit up and understand just what Australia is capable of – we'll show the world that Australia has come of age. I want President Samaranch to stand up at the Closing Ceremony at Homebush and once again tell the world: "These were the best games ever held". We'll achieve that with solidarity of Vision, of Commitment and of Delivery.

As the Chief Executive of SOCOG I welcome the closer ties to the New South Wales government that will result from the appointment of Michael Knight as SOCOG President. Atlanta showed us that at times in the process of organising the Games we need to be able to seek government support to overcome barriers too high for private enterprise. Michael Knight's role as president will enhance and expedite the necessary commitments and provision of vital government services and approvals that will be fundamental to the delivery of a totally successful Games. And closer ties will prove especially valuable when the inevitable difficult situations arise. The move enables us to have solidarity, commitment and delivery – these three words that you'll hear so often between now and this time in four years (when with a bit of luck we'll also display this glorious weather to the world).

I was told yesterday by a friend that SOCOG would organise the best Games ever held. I asked him why he was confident. "Well," he said, "you've got so many bloody, so-called experts telling you how to do it."

Let me talk about involvement. The organisation of something as massive as an Olympic Games is like an Olympic event in its own right. And, as in any major sporting event, people play different roles – some are players in the game, others are spectators. In the organising of our Games, there are those in the team itself, planning, preparing and building the Games event. And others will sit in the stands as supporters, offering advice, critique and motivation. As Australians we first need to decide whether we'll be on the field playing in the team or whether we'll be watching the actions from the sidelines.

And if we decide that our place in the years between now and 2000 is to be in the stands as a spectator, then that's fine, because not all people can play a direct role – but we do need to decide which team we are barracking for.

One team is organising the Games – and SOCOG, the AOC, private enterprise and government are all players on the same side. As I said earlier, our challenge is to stage, not just an acceptable Games, not

just an adequate Games, not even a Games that the world will acknowledge as being well managed.

Our challenge is to stage a Games that goes beyond.
A Games for the new millennium.

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Photo - David Karonidis

Cheryl Kernot

The leader of the Australian Democrats, Cheryl Kernot, entered politics after a visit to the Queensland Parliament where the antics of the parliamentarians disappointed her. With the election of the Howard Government, the Democrats in the Senate have become crucial to the passing of government legislation. Cheryl Kernot addressed The Sydney Institute on Wednesday 25 September 1996 to give some personal perspectives on the direction of Australian politics.

THE KISS OF LIFE:

REVIVING AUSTRALIAN POLITICS

Cheryl Kernot

Robert Manne, Professor James Walter, Hugh Mackay and others regularly warn us of the symptoms of an unhealthy body politic. In *Reinventing Australia*, Hugh Mackay identifies the increasing dissatisfaction most Australians have with politics and political leaders. He makes the observation that “personality politics may be fun, but there is a growing sense in the Australian community that there should be more to politics than this”.

On the back cover of his new book, *Tunnel Vision*, James Walter poses five questions – questions which I have found to strike an extraordinary chord of recognition with Australians in all sorts of places and from all sorts of backgrounds:

- Why have Australians been so ready to accept the argument that economics will solve all our problems?
- What happened to the better life promised by the pedlars of the “tough decisions” – the Thatcherites, the Reaganites and their local imitators?
- How have we created politicians so avid for casino capitalism, so willing to abdicate responsibility in favour of “market forces”, and so quick to cry “international competitiveness” when jobs and futures disappear?
- Why have we lost confidence in politics and in our political leaders?
- How can a politics bearing hope that we can control our future be regained?

In my view the two major contributing factors to this malaise are the dominance of economics over politics and the now well established election ritual which goes like this: an Opposition Party is desperate to win government after a decade. In its election campaign it colludes with the other major party in refusing to reveal the true state of the country’s finances; in policy and style it is careful to portray itself as essentially quite similar to the governing party; it rejects any prospect of radical change and in so doing, exploits the widespread desire for a “seamless”

change – a change in government. It works.

And then on Sunday morning after the election, the new treasurer takes us through the next part of the ritual: shock, horror, the cupboard is not only bare but it has no shelves; the real state of the deficit forces the new government to reassess the affordability of some of its election promises. They are now recategorised as “core” and “non-core”.

The treasurer then invites us to rely not on his word but on the word of the Independent Commission of Audit he is going to set up; a truly independent one, even though its Commissioner is the same one Premier Kennett used and even though the Secretariat is run by Access Economics of *Fightback!* fame.

The Commission of Audit duly reports and suitably alarms the population about the “depth” of the economic crisis; the number of unfunded liabilities at State and Commonwealth level, etc, etc and it prescribes the medicine – more of the same. More slashing and burning, more downsizing, more user pays, more contracting out.

Thus, the fiscal, intellectual and psychological groundwork is manipulated for a Budget which must “take the tough decisions”. And so, to the usual chorus of approval from the economic cheer squad, John Howard’s first budget was a chronicle of broken promises and major spending cuts. This brings us to the last stage of the ritual, the next two years, during which time, so the theory goes, Australians will all be so impressed and relieved that the Coalition has “solved” the manufactured economic crisis, that they will re-elect them.

And then, miraculously, at the end of a second term of government, there will be sufficient in reserve to pay for generous election promises which target the huge and now publicly noticeable deterioration in services caused by their policies of the previous five years. The makings of a classic third term campaign. So, if it’s clever and it works, does it matter if it’s simply expedient? Yes, I think it does matter.

I believe we should be questioning the price of our cynical acceptance of such a dishonest and farcical ritual: the further entrenchment in Australia of a style of politics where tactics are more important than honesty, where the ends always justify the means, and where lying is not just expected – it is tolerated, encouraged and rewarded.

Robert Manne argues that the increasing acceptability of political dishonesty is threatening the health of Australian democracy. He put it this way:

If lying comes gradually to seem an acceptable political means to a worthwhile end, what will prevent democracy degenerating into a struggle between elites whose relationship to the electorate goes no deeper than the conduct of an auction, every three or four years, in search of the votes of a largely indifferent and ignorant population?

In other words, the electoral competition is the “be-all and end-all”; the distribution of the spoils and control over the parliament are

the prizes awarded to the winner of that electoral competition and parliament is reduced to a window display of policy alternatives and parliamentary procedure is reduced to window dressing.

The American historian, Daniel Boorstein, argues that the professionalism of politics threatens to undermine what he calls "the vitality of the amateur spirit". Boorstein says that "amateurs" are being excluded and alienated from the political process – and that the process is becoming more and more removed from ordinary Americans and more and more the province of a kind of "class" made up of professional politicians, political journalists and lobbyists. There are symptoms of this happening in Australia.

What this leads to is not only a loss of political participation and genuine democracy, but the slow and inexorable emptying of substance from political and economic debate – what Griffith University's Professor James Walter has called "the failure of political imagination".

Politics bearing hope that we can regain control of our future must reassess what it is we expect from government. We've now had more than a decade of governments bailing out of their responsibilities and I think that, if we are serious about developing a better vision for the Australian economy, we must go back and reassess just what it is we want government to do. Do we want them to sit on their hands and leave free markets to their own devices – even if that means a slow death for rural communities and the end of the Australian family farm? Do we want governments to restrict themselves to a minimum set of "core" activities – even if that means the significant downgrading of public hospitals and public schools? Do we want governments to stand by and do nothing while "competition" takes its natural course – even if that means small businesses are swallowed up through the unconscionable conduct of big business?

It's a fundamental question: do we want our governments standing on the sidelines or do we want them playing a more active and dynamic role in setting national goals?

We need to develop a mature and diverse politics which enables us to go forward as a nation in the so-called new era of globalisation without relinquishing, almost entirely, any role for government, without abrogating our community responsibilities and without going further and further down the path of social exclusion and systematic inequality.

We need to restore a sense in Australians that we are not just bits of flotsam and jetsam floating on the great big ocean of global capitalism, but that we can take political action to control our own destiny and determine what sort of nation we want to become.

In other words, it's time to reverse the decade long trend of the ascendancy of economics over politics. It's time – as Professor Peter Saunders has said – to stop pretending that economics is a value free discipline and to recognise that it "in fact reflects a combination of

science and values – the latter invariably hidden, often unacknowledged, and sometimes even denied”.

I remember a few years back watching a visiting European economist on television talking about his impressions of Australia – he couldn't believe how obsessed our political leaders and media were with economics. He found it an extraordinary and rather immature obsession which left very little room for public debate about the state of our political institutions or what our other, non-economic goals should be.

But this debate is broader than one which simply challenges the dominance of economics over politics; it is also about challenging the dominance of one particular intellectual world view – that which we have come to know and love as “economic rationalism”.

It is about questioning where that view has taken us. It is about questioning whether the decline in our political culture may not have something to do with the fact that we are moving towards a point where the notion of citizenship is inextricably bound up with the notion of consumerism.

What is happening is that we are being valued as consumers first and citizens second – and our rights, entitlements and responsibilities are tied not to our status as citizens, but to our capacity to buy goods and services.

Passengers, viewers and patients all become “customers” and “clients” who consume “products”. But because the importance of customers is that they spend; the capacity to be a citizen depends upon spending power, without which citizenship disappears.

And that disappearance of the notion of citizenship – with all its attendant values of participation in society, of civic obligations, of community responsibility, of the public interest, and so on – that disappearance represents yet another nail in the coffin of a diverse and genuine democracy.

The forced march towards the extremes of economic rationalism must bear some of the blame for this happening. All this worshipping of the market economy as though it were some sort of miraculous act of nature, when it is, in fact, in the words of Will Hutton (former economics editor of *The Guardian*) “a socially produced and politically governed construct”.

This echoes the point made by John Maynard Keynes more than 40 years ago when he said that “economics is a moral science, not a natural science”. Yet, I would contend, it is essentially the selfish egoism of the rationalist brand of economics that has alienated formerly active and politically vigilant citizens. Where is the morality, for example, in those who earn million dollar bonuses deciding that 22,000 fellow citizens will no longer have jobs? Where is the morality of announcing such a decision on the same day that those workers have helped achieve a \$2.4 billion annual company profit and have boosted

their productivity to a level which is above world average. "Twas ever thus" a Labor colleague of mine is fond of saying in response to my protestations.

I disagree.

What is different about the last one and a half decades is the dominance of the economic cheer squad and the increasing policy convergence of the two major parties. This has made it so much tougher to challenge the dominant view and give Australians a genuine political choice.

We have a media dominated by the economic cheer squad; that group of neo-conservative or libertarian (or whatever label you want to give them) economists and economic commentators who are locked into the prevailing ideology and who get shrill, hysterical and personally abusive towards anyone who dares to disagree with them. Those of us who want to raise questions, and assess the evidence about the much touted economic and social merits of deregulation, privatisation and competition are often treated as if we are some sort of economic heretics who would be burnt at the stake if it was still allowed.

My message is not that concepts like privatisation, deregulation or competition are inherently bad. I do not – despite the cheer squad's ill-informed criticisms to the contrary – reject these ideas. I simply say that we should not be expected to blindly accept them as if they came down off the mountain with Moses and contain some deep and compelling central truth which cannot be denied.

I simply say that, as they are ideas which have enormous influence on Australia's capacity to move into the next century as both an internationally competitive and socially cohesive nation, Australians are entitled to hear the alternatives. They are entitled to know that there are alternatives. They are entitled to hear competing ideas as part of mainstream political debate.

In Australian mainstream political debate at the moment, there seems to be no coherent vision beyond the Great Unassailable God of deficit reduction. There is certainly no discernible commitment to building a lively, diverse and critical political culture. Where is the debate about the impact such blind deficit target pursuit will have on our society, on social inequality, on unemployment?

Fred Argy, former EPAC director and architect of financial deregulation, warned in a recent speech, that the pursuit of smaller government has very little to do with economics and everything to do with faith and ideology. The higher unemployment and growing inequality caused by a single-minded pursuit of deficit reduction and government downsizing, he says, does not create a good investment environment in the long run because it creates social unrest. Yet where is the debate about the alternatives to deficit reduction, or even the debate about the pace or composition of it?

The markets don't like those sorts of debates. The telegenic cheer squad employed by the merchant banks can't even comprehend that the debate should be expanded to see economics as the means to John Howard's "more comfortable and relaxed" society, not as an end in its own right.

And at the same time the two major parties continue to collude in the construction and operation of the political contest to ensure they both share in its spoils. Yes, one of them might win an election and, yes, they make sure there are sufficient outward policy differences between them to give an illusion of choice – but their actions serve to perpetuate a moribund and expensive process which fails to deliver real choice, real debate and real alternatives. John Howard or Kim Beazley and more of the same – that's the choice.

Earlier, I surmised that the price of the cynical acceptance of the dishonest ritual of politics is the increasing indifference of the populace. Having now been in Parliament long enough to observe a change of government I am confronted with the same question – what price, what cost a change in government? In Queensland, we have the National Party entering into deals with the Police Union and seeking to undermine the anti-corruption body set up in response to this in the late 1980s.

At the Federal level, we've seen the same old overseas jobs for the boys; the domestic jobs given to the mates. But we have also seen competent and experienced departmental heads sacked (at no little expense). We have had the usual flurry of departmental reshuffling and restructuring to no apparent purpose. We have a virtual glut of inquiries into things which have already been "inquired" into to death – the ABC, private health insurance, tariffs, banking, employment programs, research and development and so on. We have former Ministers wreaking revenge via countless hours in Estimates Committees on their counterparts. (And former tormentors). We have perfectly good public policies being reversed and programs being cut simply because the Department of Finance says so – having rushed in with great glee to fill the knowledge gap between an old government departing and a new one finding its feet.

And driving it all is that Orwellian obsession to remove all visible signs that Paul Keating and the Labor Party once controlled the levers and distributed the spoils; the kind of contradictory arrogance that asserts on the one hand that all Labor's policies failed yet, on the other, uses for their own policy justification the argument "but this is merely an extension of what Labor began".

What does this cost? Will we spend the next six years after this reversing everything this Coalition Government has undone? As Peggy Lee said in music: Is that all there is? Is that what contemporary government laid bare is reduced to?

We have one form of political correctness replaced by another. I can't help but note that in delivering his so-called new epoch for free speech, John Howard deliberately targets the guarantors of free speech and diverse debate – the ABC, media diversity, cutting funding to those organisations outside the political mainstream – ATSIIC, consumer organisations, environmental organisations. This year, for the first time in 22 years, Australia's peak consumer body will have its government funding removed. This year, for the first time in two generations, the ABC's funding has been cut so severely that its capacity to contribute to our political, cultural, dramatic and sporting mosaic is under threat. This year we see a Federal Government seeking to turn back the clock on Aboriginal reconciliation, recovery and reconstruction.

And John Howard calls this a new epoch of freedom of speech. George Orwell and his Ministry of Truth would be pleased; the fewer voices that are heard, the more freedom of speech that can be allowed – as long, of course, as they are all singing the same ideological chorus as the government; the fewer voices with resources to give public voice to alternative viewpoints, the less balanced the debate; the fewer people saying our political culture is collapsing under the weight of accelerated lie, deceit and failed economic solutions, the freer are those who are causing the collapse to happen.

Giving pre-eminence to these voices has a different outcome from John Howard's claim that he will always listen to voices of reason. Unrestrained so-called free speech is rarely reasonable or tolerant. In the realm of the free speech of policy debate, for years, the political convergence between the major parties has seen the embrace and advocacy of the same old fashioned non-solutions. They resort to the cargo cult of "casino capitalism", to relying on "trickle down" theories, and to absolving themselves of responsibility through a reliance on the market. The faces change sides but the script remains the same. And that is why we have lost confidence in politics and in our political leaders.

Australians have to be convinced that a shift towards a new and democratic direction is not only possible, but essential. Australians have to be convinced that the choice they must make is between a shift in direction which requires us as a nation to challenge and question the dominant economic theories or face a slow decline into a divided, unfair and unequal society. The kiss of life to revive Australian politics will not come from public relations exercises such as Newt Gingrich's "Contract with America" or similarly styled family tax packages; the kiss of life will not come from the bread and circuses of Grand Prix or international expositions.

The politics of hope, however, may come from the intelligent adaption of ideas such as Will Hutton's new capitalism – a capitalism which is more human and more productive. The politics of hope may

come when politics itself is restored to the role of mediator between the social and the economic spheres of life.

But to achieve that, like Boris Yeltsin, the body politic will probably require a by-pass or even a transplant and it will have to take its place on the hospital waiting list just like everyone else.



Photo - David Karamidis

David Penington, Alex Wodak, Kate Carnell

On 1 October 1996 The Sydney Institute held an evening seminar on "Crime, Drugs and Society". The large audience in attendance was addressed by Professor David Penington, Chairman of the Victorian Premier's Drug Advisory Council, Kate Carnell, Chief Minister, Australian Capital Territory and Dr Alex Wodak, Director of the Alcohol and Drug Service, St Vincents Hospital, Sydney and Chairman of the Australian Drug Law Reform Foundation. The seminar was chaired by Judith Wheeldon, Headmistress of Abbotsleigh and a member of The Sydney Institute's Board of Governors.

CRIME, DRUGS

AND SOCIETY – AN OVERVIEW FROM VICTORIA

David Penington

Use of substances which alter mood – opium, marijuana and alcohol – goes back thousands of years in human society. Use of opium is documented in central Asia some 6000 years ago and it had an honoured place in the medical writings of Hippocrates in around 400 BC. By 400 AD, growth of the opium poppy was well established in India and later in China. Cannabis has a similar long history and by the end of the last century was used to some extent in most developed countries. Some communities have adjusted well over the centuries to the use of substances which alter mood, whilst others have come to regard them as the source of serious social problems. Some Muslim countries, for instance, currently prohibit possession and use of alcohol. For other countries, the major problem is identified as cocaine or the opium group, or a yet broader spectrum of drugs.

The history of public policy in relation to mood altering drugs has many fascinations. Export of opium from India, much of it to China, accounted for approximately half the total income of the British Government of India in the mid-Nineteenth Century. When, the Manchu Emperor, in 1839 sought to curb British importation of opium, he faced the full onslaught of British arms to force entry of the drug. The Chinese were defeated and both British and other European countries imposed unequal treaties on China securing their right to trade freely with their products, including opium. These were finally set out in the Treaty of Tientsin in 1858 in the course of the Second Opium War, but by that time a market for opium smuggling was well established in Southern China and neighbouring countries involving Chinese secret societies. Meanwhile, in Britain there was growing recognition that opium addiction was a cause of social problems and even deaths, and by 1857, its sale was regulated by law, coming under medical pharmacy control from 1886.

As the century progressed, the Chinese sought American assistance against the European hegemony. In 1909, President Theodore Roosevelt, no doubt motivated by international power politics as well

as by domestic concerns over drug taking, convened an international meeting in Shanghai. This was followed by the first Opium Convention in The Hague in 1912. The principal purpose was to curb growing international trade in opium. The First World War intervened but The Hague Convention was ratified in the Versailles peace treaty processes, binding signatories to collaborate in seeking to regulate, to control production and curb trade in opium and cocaine products.

In 1925, the Geneva Convention on Opium, again led by the United States, brought together further countries to collaborate in curbing trade in opiates. It is said that in the course of this convention, the new delegates from Egypt expressed concern that as mental illness appeared to be more prevalent in men than in women in their country, and that more men than women smoked cannabis, they proposed that cannabis be added to the prohibited drugs. With support from other new members, Turkey and South Africa, this was agreed. The following year, the Commonwealth of Australia passed a law forbidding trafficking and use of cannabis, although it was virtually unknown in this context in Australia.

The League of Nations took responsibility for conventions and treaties arising from these initiatives and a specialist field of international diplomatic activity – “narcopolitics” – came into being with a life of its own, but with strong links with the Federal Narcotics Bureau of the United States.

By 1919, in the United States, the national move to prohibition of alcohol had come to a head after more than 20 years of lobbying by the Anti-Saloon Movement and other “temperance” bodies. The 18th Amendment to the Constitution came into effect in January 1920. It was natural that attitudes to opium products should be similar, supported by the same middle-class “temperance” movement, linked with the strongly evangelical Protestant religious ethic of that time.

Mounting organised crime and corruption associated with bootlegging and the widespread consumption of illicit alcohol led to the abandonment of prohibition of alcohol following the election of Franklin Roosevelt in 1933, with the adoption of the 21st Amendment. Even under these circumstances however, controversy, remarkably like that in recent times relating to marijuana, raised issues as to the messages the change would deliver to young people if prohibition were to cease and fears about consequent moral decline in society.

The approach to opium did not change with the 21st Amendment, its basis continuing in the Harrison Narcotics Act of 1914. Heroin manufacture was prohibited in the United States from 1924. The Opium Poppy Control Act of 1942 further secured the position and was the basis of further strategies to control a growing contraband industry in narcotics. The Federal Narcotics Bureau is currently subsumed into the Office of National Drug Control Policy, led by a former

four star general, widely referred to as the "Drug Czar".

Responsibility for international regulation of narcotics was transferred to the United Nations in 1946; in 1948, the scope of control extended to synthetic drugs of a similar nature. In 1961, existing treaties were strengthened in what was known as the Single Convention on Narcotic Drugs which included controls on coca leaves and cannabis. The International Narcotics Control Board was established in 1968. The Single Convention was further developed and amended in 1972 and 1988, largely as a result of US leadership.

The history of regulation in Australia is discussed briefly by Wodak and Owens (1966).¹ The first legislation outlawed opium smoking in South Australia in 1895, believed to have been motivated by concern about the lifestyle of male Chinese immigrants which might threaten white Australian women. Developments in Australia followed Versailles and the United Nations decisions and have been almost entirely governed by the international treaties.

What of the picture in the US and internationally?

The pattern of prohibition of narcotic drugs in the United States has been remarkably similar to the pattern of prohibition of alcohol, although the sectors of society most affected by penal sanctions have been Afro-Americans and poorer immigrant communities in the larger cities. Consistent with the international treaties, both traffickers and users are treated as criminals with over 1.2 million people in prison for drug related offences and another 2.3 million on probation or parole – the highest per capita level of incarceration and control of any industrialised country (Drucker 1995).² It is stated that 25 per cent of all black male Americans aged between 25 and 45 are either in prison, on probation or parole, the great majority for crimes related to narcotics. The cost of law enforcement related to narcotics is estimated at \$60 billion a year when both state and federal expenditure are included, but yet there is no evidence that these processes are curbing the growth of the international trade with narcotics continuing to flood into the US. A recent government report has shown a rapid recent increase in usage of both marijuana and of heroin amongst teenage Americans; the problem has become a major electoral issue for the Republicans.

Because of the culture of complete prohibition, needle exchange programs have not been supported by government in the United States and HIV-AIDS has become rampant in the eastern seaboard cities as a result of intravenous drug use. The situation is similar to that in South East Asia, Brazil and a number of centres in Europe where infection is spreading rapidly amongst women and with a fast increasing number of infants born with the disease.

Conservative estimates of the scale of international trafficking in drugs are in the region of US\$ 400-600 billion, around ten per cent of all international trade in goods and services. The Centre for Strategic and International Studies in Washington DC (CSIS) convened a meeting of experts in 1993 and concluded that:

- a production of heroin, cocaine, cannabis and synthetic drugs is at an all time high and will continue to rise in the foreseeable future;
- drug trafficking organisations are taking advantage of the tumultuous changes throughout the international system to develop new markets;
- the seeds for widespread drug consumption exist practically everywhere as do the worrisome signs that the drug epidemic is spreading swiftly to the Third World and many of the former Communist states;
- the current US National Drug Control Strategy is simply no match for the challenge.

More recent estimates of world wide production of opium and cocaine by the UN show even higher projections than those of CSIS. George Schultz, former Secretary of State to President Reagan said in 1990 that "that the war against drugs is doomed to fail . . . that the conceptual base of the current program is flawed . . . that we need at least to consider and examine forms of controlled legalisation of drugs".

The General Accounting Office of Congress released a report in 1993 entitled *Confronting the Drug Problem: Debate Persists on Enforcement and Alternative Approaches*. The huge cost of the "war on drugs", linked with evidence that it is achieving little, has shaken the most hard-headed of conservative political groups examining accountability for government outlays. Recently the conservative US journal *National Review* published an issue led by William F Buckley Jr. entitled "The War on Drugs is Lost".³ The perceptions were very similar to those noted above, contributions referring not only to national expenditure figures assessed against outcomes, but also to the problems of crime and corruption in society, the huge burdens of court and correctional services effort, and also fundamental questions as to the appropriate role for government in dealing with the behaviour of individuals when most of the problems for society at large are attributable indirectly to the law enforcement regime.

In Australia, the story has many similarities. A Commonwealth Parliamentary Committee on our National Crime Authority in 1988 (the Cleeland Report) estimated the value of our trade in heroin, cocaine and cannabis alone at \$2.6 billion or about 0.5 per cent of GDP. It concluded "not only that our law enforcement agencies have not succeed in preventing the supply of illicit drugs to Australian

markets, but that it is unreasonable to expect them to do so. If the present policy of prohibition is not working then it is time to give serious consideration to the alternatives, however radical they may seem".⁴ No action followed because of political sensitivities.

Origins of the Victorian inquiry

The Drug Advisory Council was set up by the Victorian premier after media stories, which gave rise to public concern, of trading in heroin in the streets in Footscray, one of the western suburbs of Melbourne, and that trading involved young people. The death toll from drug overdose was known to have risen rapidly in the past three years. There were accounts of increasing availability of heroin, particularly to school children and concern that something ought to be done in order to remedy the situation.

Our terms of reference required us to look at all the issues related to illicit drugs, the legislation which was in place, law enforcement processes, public health, treatment facilities and education – the full range of issues. We had a council of eight people from very varied backgrounds. Two had considerable experience in dealing with drug dependency and two had extensive experience in youth work. One had a background of criminology and one in the law and court procedures.

We were required to consult widely in the community and received over 300 submissions from the public. Public hearings were held in metropolitan and country regions of Victoria, on which we embarked with some trepidation. All but one were relatively easy to control, but one was lively. People who were drug users, people who were drug traffickers, people with intense feelings against illicit drug use or against the current arrangements argued with passion before us. We heard moving stories of anguish from parents of drug dependant people and from others whose children had died, with harrowing accounts of their experiences and their frustrations. We consulted with police, with judges and magistrates.

We undertook wide consultation throughout Australia with others who had tackled the problems of illicit drugs. We had tele-conferences internationally; these included Professor Peter Reuter in Washington, who had worked with the Rand Drug Policy Research Centre in California, the Chief of Police in Amsterdam, with other government officers in the Netherlands and with several groups in the United Kingdom, both England and Scotland. We were thus able to canvass experience in dealing with the issues of illicit drugs very widely.

As a Council we set ourselves a commitment not to reach conclusions until we had looked at all evidence and heard a variety of views. We were set up initially to report in just over eight weeks. We sought some further time and were granted an extension; however, the whole process took little more than ten weeks from start to finish. It

was only some seven weeks into the process that we really began to try to think through what recommendations should be made. Several of my fellow Council members would say, in retrospect, that they started at a very different point to where they ended up.

All of the evidence led us to only one set of conclusions. We made over 70 recommendations, every single one of which was unanimous. It was an interesting process. We had to take into account public opinion and to some degree, political processes and constraints under which politicians would feel they had to operate. Nonetheless, we resolved that we had to go in a positive direction in each facet of the terms of reference – to have done otherwise in the face of the mounting death toll and evidence of active recruitment of young Victorians into highly unsafe use of heroin would have been a serious neglect of our responsibilities.

Fundamentally we came to the conclusion that the present arrangements, legal and law enforcement, have not worked in preventing supply or curbing illicit drug use and further, nor can they curb illicit drug use in Australia. Money and goods are moving around the world more readily and rapidly than ever before. We are at the point where there is greatly increased production of opium in South East Asia and that production will increase year by year. Heroin is flooding into this country in pure form and at a lower price than ever before. Those trafficking in heroin are seeking new markets. The new markets they are finding are, sadly, amongst young Australians.

Where do the alternatives lie?

The Rand Drug Policy Research Centre of Santa Monica, California, published a study on cocaine use in 1994 pointing out that every dollar spent on treatment of cocaine users led to societal savings of \$7.48, whereas a dollar spent on customs and police work saved 52 cents; a dollar spent on interdiction saved 32 cents whilst that spent on control in source countries saved 15 cents. The cost to society of a heroin addict was estimated by the New York Academy of Medicine as over \$US40,000 pa, compared with the cost of incarceration at \$45,000 pa and the cost of methadone treatment at \$3,500 pa. The cost to society of corruption is difficult to estimate, but we are currently seeing this unfold in the NSW Royal Commission.

Our conclusion in Victoria was that the only way ahead was one seeking to reduce demand for all the illicit drugs through effective education and treatment.

Heroin is now available on the streets in Australia at prices little different from the cost of marijuana. Amphetamines are being manufactured readily in mobile factories, which are difficult for the police to locate, and amphetamines and their derivatives present a further major problem. Whilst there was no ready way to provide alternative sources

of heroin in the short term in Victoria, the possibility of domestic production of marijuana offered a first step against the traffickers and prohibition, and support of the ACT Heroin Trial was another important step.

Why was there such resistance to change?

I went into the study knowing it would be controversial. I knew that we would be dealing with a situation where many in the community have strong views that any use of illicit drugs is an immoral act, open and shut; that anything to do with illicit drugs is something wicked. These views are very closely aligned to religious views or such people's set of moral values. Many are not willing even to have questions raised to see whether or not arrangements, as they stand, are productive or counter-productive in terms of curbing drug use. To them, to even attempt to publicly analyse such issues was, in itself, a threat.

A second, and much larger group are people who are very fearful of illicit drugs and their possible effects on children; this is particularly so of parents who have young or teenage children. They fear that their own children might get caught up in the scene of illicit drugs and that "liberalisation" of the criminal law would lead to a greater use and promiscuity with drugs – regardless of evidence from elsewhere that this does not occur. That fear emerged again and again in discussions, at every level, all the way through to Members of Parliament. Such fears are difficult to dispel in practice, this despite the fact that evidence has been collected from many, many situations where marijuana has been decriminalised and there has not been any significant sustained increase in usage with decriminalisation. The fear remains and people find it very hard to believe the evidence.

We were told by the Police Association, who came out early in the debate, that to decriminalise marijuana would lead to "carnage on the roads". This statement was repeated again and again throughout the debate. This was despite the fact that a study in three different States in Australia in which the Victorian Police participated in the early 1990s, and similar studies on either side of the United States and a study in Europe, all came up with the same answer – that marijuana is not the cause of fatal road traffic accidents.

It is true that if one analyses forensic data from fatal road accidents, there is a significant incidence of residues of cannabis metabolites in a number of those people. But the statistics reveal a concentration of young males amongst victims of fatal road traffic accidents, mostly associated with alcohol. Marijuana residues stay in the body for up to six weeks after a person has smoked, and among young males there are many who are smokers of marijuana. The long-lived residues are not, of themselves, associated with altered mental states and the incidence of the cannabis residues was no greater than

expected from the age and sex characteristics of the population – a very different picture from that of the incidence of high levels of alcohol in the blood, or indeed of the amphetamines and other drugs.

We recommended the development of a test for road side testing of the short lived metabolites of marijuana. This is scientifically possible. Such a test might reduce the likelihood of young people indulging in chaotic high intakes of the drug at parties. Nonetheless, there is no evidence that marijuana users drive dangerously. They drive fearfully – they drive slowly and very, very cautiously – quite differently from the risk-taking behaviour of the person with large amount of alcohol on board. Marijuana smokers are often pulled up by police for driving along at 20km/h in heavy traffic!

People seize on figures relating to multiple drug use as reason for not decriminalising marijuana. The so called “stepping stone” theory of drug use has wide currency, but in careful studies in the United States it has been clearly established that movement from marijuana to heroin or cocaine is due to the environment in which young people obtain marijuana. If they obtain marijuana from drug traffickers, they are likely to be also offered heroin or cocaine. This was, in fact, one of the strongest arguments in favour of permitting limited domestic production of marijuana at a time when our market is being increasingly flooded with cheap heroin. There is, in fact, no evidence at all that use of marijuana of itself carries a risk of moving on to heroin usage and addiction.

A frequent claim is that marijuana causes schizophrenia. Marijuana does not, in fact, cause schizophrenia although, with heavy usage, it almost certainly can aggravate a latent or developing schizophrenic psychosis. If a person has a developing schizophrenia they may be desperately unhappy, and be looking for anything that will relieve that unhappiness. If they are young, if they are males particularly, they are more likely to take marijuana than anything else. However, the very big increase in the usage of marijuana over the past thirty years, has not been associated with any increase in the incidence of schizophrenia in our community.

The link between marijuana and psychosis needs to be better understood, and young people need to understand possible connections if they choose to experiment. Hopefully a study now being commissioned by the Victorian government will help clarify this issue. However, extravagant claims that decriminalisation of marijuana would unleash schizophrenia on the community have no basis in scientific rational.

The way ahead

The central theme of our report was that we need to create an environment where we can effectively provide education, particular to young

people and of a kind they will accept as rational – a kind that they will see as not hypocritical – which will be believable in terms of the very real dangers associated with drug use, and differences between use and abuse, as with alcohol. Marijuana is much the most widely used of the illicit drugs and was seen as the starting point for a new approach. Views of young people, as revealed in surveys, regard alcohol and tobacco as much more dangerous than marijuana. They see it as hypocritical that society says it is criminal to experiment with marijuana whilst people in their own families, or elsewhere, abuse alcohol or tobacco.

The surveys indicate that near to 50 per cent of boys and up to 40 per cent of girls in secondary schools in Australia have experimented with marijuana before they finish school. Does it make sense to label them as criminals for doing that? They are going to continue to do it.

The question then arises, are there dangers with marijuana? Of course there are, as there are with every drug. What matters is to be able to talk about the difference between use and abuse of a drug. One cannot discuss that openly, and expect young people to discuss it openly, if any use is seen as criminal. We have to be able to talk about what are the danger signs that come from frequent or daily use of marijuana.

We have many statements made, supported by the US State Department and various agencies supported by it, that marijuana is much more dangerous than alcohol. However, alcohol causes many, many deaths, as well as documented cerebral and cerebellar degeneration. On the other hand, there is no evidence that marijuana, as such, causes any deaths or any permanent brain damage.

The amount of law enforcement, police activity and court time taken up with marijuana possession and use is enormous. In Victoria there are some 14,000 prosecutions each year, mostly for possession of illicit drugs and use. The great majority of these involve growth or possession of small amounts of marijuana at a time when marijuana is probably the second largest crop in northern New South Wales, in Queensland and in South Australia and continues to come into Victoria through the traffickers.

A large amount of police time, court time and legal aid money is being poured into prosecution and defence of those people before the courts. These are resources which ought to be directed elsewhere – against trafficking and strategies to reduce demand. We want the police involved in community policing and the development of local community programs to try to alter attitudes of young people, and to have more resources to support people who seek to be retrieved from the effects of illicit drugs. We want improved rehabilitation and treatment programs for heroin and amphetamines. We want to move, as has happened in Singapore and Sweden, to regard heroin usage as a health

issue, not as a court and police problem so that those people are referred immediately for treatment and education. We also recommended many changes in treatment, in rehabilitation, in the way users are handled by police, in the courts and in prisons.

The outcomes

Many of the recommendations of the Victorian Drug Advisory Council have been adopted by the Victorian government and others, particularly those relating to marijuana, will still be considered by an all-party committee of the parliament. An increase of \$25 million per annum has been allocated to support treatment and rehabilitation programs, and to support drug education. The question of marijuana and schizophrenia will be the subject of a further research project to try to give greater clarity on that issue and further evidence will be collected through surveys of drug use of a kind which ought to inform police activity as well as education.

Remaining problems

Issues relating to illicit drugs represent a particularly difficult area of public policy. Deaths from drug overdose are continuing to rise. They affect every section of society. In Victoria deaths from illicit drug abuse are now approaching the number of road traffic accident deaths. There is not a family in our community that could not be affected – professional families, families of senior business leaders, government leaders, people in working class situations – all of these are at risk. It is true that the long term unemployed have special problems. They find the use of amphetamines and the like a natural outlet for their frustration and the only sort of excitement they see in their lives. They are a special group for which further new approaches are still needed.

One of the most important issues is to gain a better understanding of the problem in our community. Whilst the recent public debate was not always well informed, at least many now recognise that there is a problem; this provides a better starting point for the future, as well as the possibility of a better understanding of the issues in families, in schools and in other institutions with many young people – the section of our community most at risk and the section in which the tragic toll of drug related deaths is most evident.

Endnotes:

1 Wodak, A and Owens, R 1996 *Drug Prohibition: A Call for Change*, UNSW Press

2 Drucker, E 1995 *Drug Prohibition and Public Health: It's a Crime*. Australian and New Zealand Journal of Criminology pp 67-73

3 *National Review*, 12 February 1996 pp 34-48

4 *Drugs, Crime and Society*, 1988 Report by the Parliamentary Joint Committee on the National Crime Authority, Commonwealth of Australia.

CRIME, DRUGS

AND SOCIETY

Kate Carnell

I want to outline the Australian Capital Territory's response to drug-related harm in terms of:

- what kind of society we want;
- what our drug policies are in the Australian Capital Territory; and
- the effect of these policies.

Let me begin by stating that I share Professor Penington's commitment to demand reduction, to developing better treatment responses, and to enhancing education. Professor Penington acknowledged that we don't have any quick solutions and that those solutions we do have take some courage and compassion to implement.

When it comes to drugs, I use the "Yes Minister" definition of the word courage, because I am constantly told by bureaucrats, from all over Australia, that I am well known for my willingness to make "courageous" decisions about these issues. On a more serious note, an overview of drug-related harm within the ACT shows that there are major costs for individuals, their families and the community.

Last year, we had 15 deaths related to heroin; this year already nine people have lost their lives. I understand that the ACT ambulance service responds to up to three to four priority calls a day to treat heroin overdoses. Behind the headlines that heroin usually creates, there is the harm associated with the use of marijuana, amphetamines and ecstasy, often with tragic results. It is also worth noting that alcohol and tobacco use still present the greatest health and social dangers for our community today.

Perhaps our politicians, community leaders and opinion makers everywhere should be reminded of comments made as far back as 1977 by a Commonwealth Parliamentary Committee which looked into drug issues facing Australia and concluded that we were an intoxicated society. To quote from that report:

We live in a drug-taking society. Drugs relieve symptoms, expand minds and satisfy a myriad of personal needs. The media exhort us to try chemical solutions for head aches, sleeplessness and obesity,

and to make life more pleasurable by drinking alcohol or smoking tobacco. The use of prescription drugs continues to grow as the range of useful drugs increases and as patients more and more expect to have drugs prescribed for their ills.¹

Remember that this report came out 19 years ago and funnily enough, at the same time I was completing my tertiary studies to become a pharmacist. And with the exception of tobacco, where we have only recently made inroads into advertising, it still holds true today as a stark reminder of the limited progress that we have made. And as one of this country's eight Health Ministers who have the unenviable task of trying to find more money every year to meet the ever-growing demands of our hi-technology health system, I can assure you that the range of drugs on the market has continued to expand. It is still quite common to hear a patient who has left a doctor's surgery without a prescription, saying, "I won't go back to him - he didn't give me any pills to make me better!"

Earlier, Professor Penington referred to Peter Cleeland's report, "Drugs, Crime and Society". I agree that little appears to have happened as a result of that report, probably because it acknowledged the difficulties inherent in facing the problems of drugs. To quote further from that Report:

The Committee believes that there is ample evidence that the present policy of prohibition is failing to achieve its objective: namely to reduce the use of drugs which are presently illegal by preventing supplies of those drugs reaching those in Australia who may wish to use them. . . . There is no consensus, however, on whether prohibition should be replaced and, if so, on what policy should replace it. Nor is the community ready for any sudden change to the law. There is no easy solution.²

It is a debate that is fraught with pitfalls and traps, especially for the unwary. It is at this point that I want to bring a political perspective to this issue, where perhaps others who are taking part tonight cannot.

Too often we are told that governments are elected to govern, if you'll excuse the poor political joke, for all of us. But there is a tendency for governments to relegate individuals, whose views and actions we may disagree with, to the too-hard-basket. And we often find it easier to shy away from the fact that some of the choices people make are personally and socially destructive.

It is therefore incumbent upon that very same "all of us" to carefully weigh up the alternatives when it relates to drugs and their impact upon society. And the responses can range from using prohibition as a last ditch measure for some through to employing prohibition as the first response for others.

The ACT government has taken a leading role in drug law and drug law enforcement reform, for legal drugs such as alcohol and tobacco, and illegal drugs - marijuana, heroin, amphetamines, cocaine and so on. In this area, I am pleased to say that both sides of politics,

along with independent Members in our Assembly have largely shared similar views regardless of which party has been in government.

There have been a couple of notable exceptions to this, such as the time when we supported a proposal to trial the medical use of cannabis for pain relief for terminally ill patients. All hell broke loose. Remember my earlier comment about the pitfalls and traps? I found out about this the hard way.

Drug policy in the Territory aims to be entirely consistent with the national policy of harm minimisation. This means that we carefully assess the actual and potential harm related to drug use upon individuals, their family and friends, and upon the community, and we make decisions that aim to minimise or eliminate that harm.

In 1995, the ACT released its three year Drug Strategy³ which was based partly upon the recommendations of extensive Legislative Assembly reports which examined drug dependency, methadone treatment, benzodiazepine use, and young people and alcohol.⁴ The strategy clearly spells out the ACT government's approach to drug issues, the use of a public health model to analyse harm and develop appropriate interventions, and, most importantly, outlines a comprehensive range of interventions.

The public health model considers the effect of drug use in context of:

- the drug used: type, amount, how it is used, length of usage, other drugs used;
- the individual using the drug: gender, age, culture, occupational and socio-economic status, health status; and
- the environment the drug is used in: physical aspects, activity demands, social setting, level of risk, legal issues.

Interventions to reduce harm fall into three broad, interlinking areas:

- supply control: which limits, reduces or varies the amount of the drug available to the user;
- demand reduction; which limits, reduces or varies the demand for a specific drug; and
- problem prevention; which reduces potential problems associated with the use of the drug.

With legal drugs we have actively pursued a program of harm minimisation. We were the first Australian government to pass legislation requiring tough new tobacco, health warnings and introducing restrictions upon smoking in enclosed public places. Smoking is banned in all restaurants and eating places, except where air extraction systems which conform to Australian Standards are fitted and only then, is an exemption granted which permits only 25 per cent of the premises to be a smoking area. There are more than 300 restaurants in Canberra and only 10 have applied for and received one of these

exemptions. In relation to alcohol, we are implementing measures that promote responsible serving and use of alcohol, especially for young people. And with illicit drugs, we have taken a comprehensive approach using supply control, demand reduction and problem prevention.

Let me demonstrate this in our approach to heroin use. As I have mentioned before, the death rate from heroin overdose is already nine for this year. Last year it was 16 which, incidently, was higher than our road toll. Let me be quite frank; we are not winning the war against heroin in the ACT any more than any other jurisdiction in Australia. We are dealing with a glut of heroin on the world market, with well organised distribution routes and a product that is readily available at street level.

Don Weatherburn and Bronwyn Lynd, in their 1995 research into the impact of drug law enforcement on the heroin market, found that the amount of heroin seized had no impact on price, purity or availability of heroin at the street level.⁵ This is not a criticism of ACT or Australian police, because no police force anywhere in the world has been able to eliminate trafficking. And I think that applies even to those countries that use the most draconian measures, such as capital punishment.

In the ACT, while our seizure rate of heroin has increased, it has not stemmed the flow. Our policing is therefore aimed at higher level dealing, avoiding the focus on the individual drug user, except where he or she is a dealer. Importantly, the Australian Federal Police actively co-operate with health and welfare authorities to ensure that their activities do not discourage people calling for ambulance help when they are confronted with an overdose episode.

Recently, our police, ambulance and health authorities held a media conference to publicise the fact that police would not become involved in overdose calls, except where death or another serious crime was involved. The fact that our ambulance service is receiving three to four clients a day indicates that people using heroin have got the message. Some would argue that removing the police threat just encourages heroin use. But with nine deaths this year from untreated overdoses, I believe we need to remove any barrier to treatment in these situations. Never forget that what we are talking about is saving lives.

In the area of demand reduction, the ACT provides a comprehensive range of drug education programs in primary and secondary schools, and colleges. Education is important and well-targeted programs can ensure that most young people will treat drugs, both legal and illicit, with the care that they deserve.

But education will never stop risk-taking behaviour and it is our task to ensure that with this risk comes as little harm as possible. There is evidence of a small but growing subculture of young people using

heroin, highlighted by the death in 1995 of a 16 year old Canberra student from a heroin overdose. Treatment is a major response, but will only be successful when the person recognises that he or she has a problem and is motivated to comply with the treatment program.

The ACT provides a range of interventions including detoxification, counselling, therapeutic communities and methadone programs. The effectiveness of these interventions will vary depending on the stage of drug usage, social situation and motivation.

We desperately need to research more interventions which are effective in reducing illicit and risky drug use and promoting abstinence where possible. In the past, most Australian governments have shown courage by introducing methadone as a treatment – a step that is still regarded as controversial in some parts of the world, even in at least one part of Australia.

We have also shown courage by introducing needle exchange programs, which have reduced the transmission of blood borne diseases, such as HIV and hepatitis – although not as successfully in the latter case. We now need to show that same courage and leadership in looking for more effective treatments.

That is one of the reasons why I support the proposed heroin trial in the ACT. Prescribed heroin may or may not be an effective treatment – but without the trial, we will never know. No two people with heroin dependency are alike so it is my view that successful treatment programs will be all about having a number of different and flexible approaches available.

In June 1995, Dr Gabrielle Bammer and her team from the National Centre of Epidemiology and Population Health at the Australian National University presented their report about a proposed trial to me. The report recommended that a Task Force, representing a broad cross section of community views, be established to seek community input and to determine whether or not stage one of the trial, involving forty participants, should go ahead.

As a new government, we knew that this would not occur without political pain. After extensive consultation, the Task Force, chaired by former NSW State Coroner Kevin Waller, recommended that Stage One should proceed. My government took the view that there was no point in going ahead with a limited trial without the support of a majority of States and financial support from the Commonwealth.

When I sought national support at the 1996 Ministerial Council on Drug Strategy, I was very disappointed at the lack of courage displayed, especially by those states that sat on the fence. I respected the views of the Tasmanian Health Minister who voiced his opposition based on his concern for the Tasmanian poppy industry. I may not agree with him, but he had the courage to stand up and state his views. Professor Penington's report clearly influenced the Victorian govern-

ment and I appreciated the support of my Victorian colleagues. South Australia was also supportive.

I would not have been so disappointed if the states that opposed the trial had put forward fresh ideas to address the problem of heroin-related deaths, but they did not. They simply put the entire issue into the too-hard basket, where this problem has remained for far too long. I was pleased though, that the new Federal Minister for Health took up the challenge of progressing the outstanding issues that surround the trial and I look forward to again vigorously supporting the trial at next year's Ministerial Council on Drug Strategy. I have to say, however, that I am not holding my breath.

The realistic view about drug use is to recognise that it will occur, and for that reason I would like to examine what we actually do to reduce the risk and harm it causes. The major problems are:

- unsafe needle usage, resulting in disease transmission among injecting drug users, their partners and possibly to the community in general;
- links with organised crime and the need to acquire large amounts of money to fund drug purchasing;
- the possibility of overdose;
- losing opportunities as lives become centred on drug acquisition;
- Poor diet and personal hygiene;
- alienation from friends, families and the community; and
- criminal charges.

Of course, not all of these risks will eventuate for all drug users. But many will be exposed to them. The ACT has taken a broad, strategic approach to addressing these problems, and I have already outlined some of our measures today.

A major step forward has been the development of close links with the "using" community through funding of user peak groups, such as the intravenous or IV League, which provides information to government about the needs of injecting drug users, including early warning of changing drug use patterns. This enables the government to conduct proactive education programs for drug users to reduce the potential harm.

Recently, a program that we funded successfully targeted 19 young injecting drug users aged between 14 to 18 and provided them with a range of survival skills and resources that they could call upon among their friends and on the street. This included training in CPR by our ambulance officers. A six week evaluation showed an astounding 96 per cent rate of retention of information among the participants. Five young people told us that they had already used newly learned resuscitation skills and called for help, which they considered they would have been unable to do previously.^o

These kinds of programs are not without their critics, yet the ACT government believes that it must act to protect these young people in ways which go beyond the simplistic "say no to drugs" message, which obviously would have had little impact on those 19 teenagers.

I have focussed my remarks on heroin tonight as I believe it is the most dangerous illicit drug for young people in the way it is used at present. And the way it is used, is influenced by the laws administered by our various State and Territory governments. The challenge is often raised, "Well, you are the Chief Minister of the ACT, change them."

I mentioned earlier that governments must attempt to remain in step with the communities they represent, and that while we should lead, we cannot afford to get too far ahead. Peter Cleeland, in the quote I noted earlier, also recognised that change is not simple. Cannabis is one area where, in 1993, the ACT government changed the law to remove criminal sanctions. This has also occurred in South Australia and, more recently, the Northern Territory. Essentially, personal cannabis use, or possession of small amounts of five plants or less, has the same status as an infringement notice. Upon payment of a fine – \$100 in the ACT – no criminal conviction is recorded. There was some heated opposition to the decriminalisation of cannabis with some quite hysterical claims of encouraging widespread drug use and the morals of our youth being undermined. I am pleased to say that the end of civilisation as we know it, has not eventuated. However, it is not all plain sailing.

There is a high level of confusion about our laws relating to cannabis as there is in South Australia, with many equating decriminalisation and legalisation. Research last year was unable to pinpoint any increase in penalties or apprehensions related to cannabis use after the laws were introduced in 1993.⁷ It is probably too early to state definitively whether the legislation has made any difference to cannabis usage in Canberra.

One thing I can say, however, is that there are certainly fewer young people with criminal records as a result of something that an estimated 42 per cent of Canberrans have tried at some time or another. The Ministerial Council on Drug Strategy has commissioned national research into the effects of legislative change, and is currently assessing the South Australian model of penalties, which is similar to that applying in the ACT.

I believe that what we have done in the ACT demonstrates that we can change the law and the law enforcement procedures associated with drug use without increasing harm related to that drug use. As I said earlier, in so doing we have to keep the community with us. We have to put these issues on the public agenda and not be dismayed when there is a strong opposition.

In conclusion, for various reasons, foremost among them being international pressure, Australian governments have introduced prohibition as a means of limited drug use. We have made criminals of people who use drugs for a whole variety of reasons – for pleasure, to reduce physical and mental pain, to enhance performance and so on. I have no problems with making criminals of people who supply drugs illegally. I do have problems with making criminals of people who use drugs, especially those who are dependent.

For many years there has been a growing movement in Australia to end the prohibition of illicit drugs. Prohibition has not worked. But, I do not believe that taking away all the controls will solve the problem either. We need to carefully re-engineer our drug controls so that they more accurately reflect and promote safer usage patterns. I believe the solution is to reduce the law enforcement focus on users and replace it with more effective treatment responses. We also need to continue our harm minimisation approach for those who, for whatever reason, continue to use drugs.

The cost of drug treatment and education to the community is substantial. However, the cost of not responding, we estimate, for heroin use alone, is at least \$36 million per year just for the ACT.⁸ We need to continue the debate with well-informed research and reviews such as that completed by Professor Penington. We also need to encourage community participation in these debates to broaden understanding of the depth of the problem facing us and the courageous decisions that we are going to have to make at some time in the future. And most importantly we need political leaders who are prepared to take drug law reform and innovative treatment options out of the too hard basket and examine new ways to move forward.

I, for one, will not be taking a backward step.

Endnotes:

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GETTING REAL

ABOUT DRUGS: MYTH, SYMBOLS AND DRUG POLICY REFORM

Alex Wodak

People in Africa talk about five natural disasters: fire, flood, famine, earthquakes and government. Tonight I would like to explain why government policies around the world ensure, inadvertently, that drugs like heroin continue to be a slow motion natural disaster. There are many easily identifiable reasons why governments find it extremely difficult to respond to illicit drugs in an affordable and effective way.

Last year I attended a meeting in Hanoi which was addressed by Mr Hans Emblad, then Director of the Program on Substance Abuse, World Health Organisation. Previously, Mr Emblad had been Deputy Director of the United Nations Drug Control Program which is responsible for co-ordinating international narcotics control. Mr Emblad explained that he had attended international narcotics control meetings for about 20 years. These meetings always began with a review of the global narcotics situation. Invariably, after reviewing international developments over the previous twelve months, participants would agree that the global illicit drugs situation had deteriorated alarmingly. The second part of the meeting involved preparation of recommendations for further action. Invariably, the participants would recommend an intensification of existing law enforcement approaches. Mr Emblad commented that after two decades, he now saw that drug policy had to be fundamentally reconsidered.

Until a few years ago, support for reform of drug policy was considered somewhat radical. Now support for drug policy reform is common among clinicians, researchers and even parents of children who have died from a drug overdose. Many politicians and senior police accept privately that drug policy reform is both desirable and inevitable. Public opinion is changing. Research conducted for the Commonwealth Department of Health a few years ago showed that about three quarters of the community support modest reform of cannabis policy when the questions are framed in a neutral manner. Drug policy reform is not an issue of interest to just a handful of academics and a tiny minority of drug users. Prohibition affects every-

one who pays taxes, everyone who pays domestic insurance and everyone who is worried about getting their handbag snatched. Like many reforms, the odds against change presently seem insurmountable.

Drug policy reform is inevitable because it is not inescapable to many well informed people that illicit drug law enforcement is expensive, ineffective and counter-productive. Additional resources for police, customs or prisons and more severe penalties have not made, and will not make, illicit drug law enforcement any more effective. George Schultz, former US Secretary of State, pointed out that illicit drug law enforcement will not work because the conceptual basis is "fatally flawed". The fatal flaw is the attempt to defy economic gravity. We seem unable to significantly decrease the demand for drugs we have classified as illicit. While a demand for drugs like heroin exists, they will be supplied. If heroin is not supplied by a legal source, it will be supplied by an illegal source. It is as simple as that. Law enforcement at present imposes a value added tax on illicit drugs which is collected by criminals. The more severe the penalties and the greater the chance of detection, the more lucrative the trade and the higher the profits.

The scale of the global illicit drug industry is astonishing. The global illicit drugs industry has an annual turnover larger than Australia's GDP, twice the size of the world's pharmaceutical industry or five times bigger than the global iron and steel industry. Annual profits may be, according to a UN estimate, as high as US\$350 billion. Almost ten years ago, a Federal Parliamentary Committee estimated that the Australian illicit drug industry had a turnover of \$2.7 billion. The Queensland Criminal Justice Commission estimated that cannabis was the second biggest agricultural crop in that state after sugar. And some will have you believe that the drug problem will be improved by more and bigger speed humps or a few more prisons!

Developing more effective policies is complicated by the fact that logic and rationality have a relatively minor influence on the way communities respond to drug problems. Current policies have no logical pharmacological or public health basis. Two hundred Australian children take up tobacco smoking every day. About a quarter will ultimately die from their favourite drug. Cannabis has not yet been credited with a single death in the scientific literature. If policy was based on harm to the community, cannabis would be legal and tobacco illegal. Prohibition was not adopted following a careful review of evidence and a consideration of the benefits and costs of available options. Our laws about illicit drugs are arbitrary and capricious. Prohibition makes it likely that more dangerous drugs replace less dangerous drugs and more dangerous routes of administration replace less dangerous routes of administration. So opium smoking by old men in Asia was replaced by heroin injecting in young men. Denial practised on individual, state, national and international levels is another

obstacle. As Eliot said, "mankind cannot bear too much reality". Our problem is dismounting the tiger's back.

Many members of the community are very concerned about drugs. Drugs, unemployment and the threat of nuclear warfare are usually ranked among the issues which most concern ordinary members of the community. Developing effective and affordable policies for illicit drugs is obstructed by symbolism and powerful myths. Illicit drugs are seen as forces of utter depravity, inevitably enslaving and instantaneously corrupting those who consume them. Communities have as much difficulty controlling their responses to illicit drugs as some individuals have controlling their consumption of these substances.

Why did I become interested in drug policy? In 1987, while studying how other developed countries responded to the threat of HIV among injecting drug users, I spent an evening observing a shooting gallery in Brooklyn, New York City. The scene outside was like war torn Bosnia. Ruined tenement apartments were abandoned. Cars with smashed windscreens were propped up on bricks. We entered a pitch black building with no electricity and descended to a dark foul smelling basement to watch four Hispanic men and women injecting "speed balls" of heroin and cocaine. It was a scene of utterly desperate squalor, filth and misery. The four injectors fumbled around in the near darkness looking for their needles and syringes. Blood dribbled from their injection sites. Although I have seen many poverty stricken parts of the world, this was a truly devastating experience.

Why, I asked myself, did New York City have shooting galleries of this kind while Sydney did not? The answer was clear. Carrying a needle and syringe in the streets of New York City is so dangerous that few are prepared to take the risk. Secreting illicit drugs in clothing or a body cavity is much less hazardous. So drug injectors buy their drugs and usually go to a shooting gallery where they can rent a needle and syringe for a few hours. There must be cheaper ways to spread epidemics of blood borne viral infections (like HIV and hepatitis C) but it is hard to imagine a more efficient system.

After this experience, I began to read extensively and find out more about drug policy. Almost everything I read concluded that illicit drug law enforcement was a costly, ineffective and counterproductive exercise. Although Australia spends somewhere in the region of half a billion dollars every year, illicit drugs of diverse kinds are readily available and drug related crimes continue to increase. Each year, about 500 young Australians die from drug overdose which is roughly the number of servicemen Australia lost in the Vietnam war. An estimated 6,000-8,000 young Australians become infected with hepatitis C each year through drug injecting. Unscrupulous criminals become rich beyond their dreams.

A chorus of senior, influential and well-respected citizens now say that prohibition is not working and cannot be made more effective. If their arguments are so strong, why has there been no change? In a world where we increasingly consider government policies from a commercial perspective, why do we tolerate policies with such a poor return on an annual investment of half a billion dollars? A well regarded RAND study showed that the return to the United States on an investment of one dollar spent to reduce cocaine problems was 17 cents for coca plant eradication in the Andes, 32 cents for interdicting cocaine between Colombia and Florida, 52 cents for supporting US Police and Customs and \$7.48 for treatment for cocaine users. The United States allocates 93 per cent of its cocaine budget to measures which bring a return of 17 to 52 cents in the dollar and only 7 per cent of its budget to an intervention which returns over \$7. Two recent Royal Commissions in Australia have concluded that police corruption and prohibition are linked closely. If we want our authorities to get tough on police corruption, we will have to insist that they get tough on the causes of police corruption.

Before considering why it is so difficult to change policies or what the alternatives might be, we should ask ourselves whether drug policy is the most important factor determining outcomes from illicit drugs. Most people involved in this field – including researchers, clinicians, law enforcement officers and drug users themselves – do not believe that prohibition or drug policy reform is the most important factor determining the levels of illicit drug use in Australia and harm created by such use. There is more to drug policy than drug policy. Prohibitionist Sweden and reformist Netherlands both have relatively good outcomes from illicit drugs while the prohibitionist United States and reformist Italy and Spain have dreadful outcomes. Whatever drug policy we have, the extent of illicit drug use and the harm resulting from illicit drugs will probably be much more influenced by levels of youth unemployment, educational and training opportunities, housing and welfare. What should a young Australian growing up in a disadvantaged suburb do if there are no job opportunities, dwindling educational and training opportunities and decreasing financial support for the unemployed? Inevitably, some will be attracted to illegal employment and illegal income if that is the only employment and income available. An illicit drug industry answers many needs apart from a temporary pharmacological vacation.

If there is so little reason to retain prohibition, why does it continue? Powerful myths are part of the explanation for the survival of prohibition.

Myth number one is that decriminalisation and legalisation are the only alternatives to current policy. It is as if drug policy was a giant on/off switch with only three positions: prohibition, decriminalisation

and legalisation. It does not seem to matter that these terms mean totally different things to different people. There is in fact a range of choices: total prohibition, prohibition with civil penalties, partial prohibition, regulation and free availability. Almost as important as these choices are the specific details of policy. Reform can also be achieved without changing legislation by simply changing guidelines.

Myth number two is that drug policy reformers covertly support legalisation so that drugs like heroin would become available without restriction from every supermarket and milk bar across the country. I know many people who are working hard to achieve drug policy reform in Australia and overseas. Almost without exception, these people wish to see some kind of controlled availability where drugs like heroin would be available along similar lines to the current methadone programs. Following a clinical assessment, applicants deemed suitable would be admitted to treatment at a clinic and provided with heroin on a regular basis. This approach has been followed in parts of Britain since 1926. A similar approach evaluated in Switzerland for the last two years has proved to be very successful. The Netherlands and Spain are setting up trial programs to evaluate controlled availability of heroin. If legalisation means making heroin as available as confectionary, it is as trenchantly opposed by drug policy reformers as it is by supporters of prohibition.

Myth number three is that reform of drug policy increases both consumption and problems as surely as night follows day. Unfortunately it is not as simple as that. This analysis is based on the assumption that if prohibition inflates prices and therefore depresses consumption, any reform inevitably decreases price and increases both consumption and problems. There is no doubt that prohibition tends to inflate the price of illicit drugs. But not always. Traffickers pay a premium on the risks they run. This premium is passed on to consumers who in turn pass on their premium to non-consumers (mainly through property crime). But it is wrong to assume that intensified law enforcement inevitably raises prices and depresses availability of illicit drugs or that reforms inevitably reduce prices and increase availability. While cocaine law enforcement was progressively intensified in the United States between 1977 and 1992, the price of cocaine (adjusted for inflation and increasing purity) dropped steadily by more than 80 per cent and the number of cocaine consumers increased from two to nine million and then decreased to seven million. Who can say for certain what will happen to demand and supply if the premium on risk is reduced? Who can estimate the effect of prohibition or reform on any substitution between licit and illicit drug markets? Prohibition inflates prices of illicit drugs by making drug trafficking more hazardous. Higher prices means greater profits. Higher profits attract new traffickers who then seek new markets. It is conceivable that

the illegal drug market could be much smaller under reform than under prohibition. If we look around a world where prohibition has been intensified year after year, decade after decade, global drug markets have steadily expanded. If drug markets worked the way that prohibition supporters said they do, why have these markets not been shrinking?

Even more important, we know that at present, most problems attributed to illicit drugs including overdose and infections are related to the vicissitudes of an illegal market rather than being consequences inherent from the pharmacology of the forbidden substances. It is more a case of drugs being dangerous because they are prohibited than drugs being prohibited because they are dangerous. So reform is likely to produce a less dangerous market and may produce a smaller illicit market when profits decline.

It seems self evident that we will never achieve progress in this area until the drug trade becomes less lucrative. The drug trade will only become less lucrative when an alternative source of supply challenges the current criminal monopoly. The only challenge can come from a source allowed by government. And that is one of the reasons we so badly need the proposed ACT Heroin Trial. Present policies, whatever their intent, mean that criminals have a monopoly of supply.

Myth number four is that support for drug policy reform is political suicide. Many successful politicians in Australia have for some years supported drug policy reform openly. Drug policy reform is the official policy of the Australian Democrats, Young Labor and the Young Liberals. The Leader of the Opposition in NSW advocated providing heroin to drug users in June 1984. Although Mr Greiner was criticised at the time, he went on to become Premier four years later. Peter Baume, now a Professor at the University of NSW and Chancellor of the ANU, was a Liberal Senator for NSW for 17 years. During most of that time, he had the number one spot on his party's ticket. His support for drug policy reform was well-known. It did not stop him becoming a most distinguished federal minister. If we look around, there are many examples of politicians who have openly supported drug policy reform and continued to prosper. Michael Moore of the ACT Legislative Assembly has been re-elected twice after strong and open support for drug policy reform. Ann Symonds of the NSW Upper House has been equally forthright and was number two on her party's ticket at the last elections. There are now almost a hundred parliamentarians in Australia who have signed a charter for drug policy reform. Even in the oppressive political climate of the United States, support for drug policy reform is not incompatible with political survival. Kurt Shmoke, a black Rhodes scholar, is the Mayor of Baltimore in the United States. He has openly supported drug policy reform for almost ten years. Drug

policy was one of the major campaign issues that Schmoke fought in 1995 when re-elected Mayor for the third time. Support for drug policy reform did not stop Mayor Schmoke being invited to a cabinet position in the Clinton Administration.

What do we need to do to get out of this mess? We need to recognise that we have to develop policies for the world as it is now and not the world as we might like it to be. It is better to set achievable goals and meet them, than fail to reach utopian objectives. Specifically, we need to:

1. Recognise that drugs currently classified as illicit should be primarily treated as a health matter rather than as a law enforcement problem: this will produce considerable net benefit to the community.
2. Recognise that demand for drugs like cannabis and heroin is likely to remain much as it is now for the foreseeable future.
3. Recognise that where there is a demand for drugs, a source of supply inevitably develops: if a legal source does not exist, an illegal supply will develop.
4. Recognise that we will never achieve progress without reducing the profits of traffickers: we will only reduce the traffickers' profits if legal supplies undermine the profitability of the illegal supply.
5. Some people, determined to get drugs whatever we do, presently get adulterated supplies of unknown concentration from criminals: we need to find out whether the community and these people are better off if they can obtain sterile drugs of known concentration from government clinics.
6. Cannabis should be considered separately from drugs like heroin with policies for all drugs causing less harm than the drugs do.
7. All reforms must be incremental with evaluation of intermediate stages.
8. Initially, increased police discretion covered by specific guidelines is the most achievable reform for cannabis and other illicit drugs: ultimately, regulated production and sale of cannabis is inevitable and the least worst option for cannabis consumers and the general community.
9. Efforts to reduce demand for drugs should be expanded including community and school drug education (expecting only modest and long term gains) and drug treatment (especially methadone and other pharmacological treatments).
10. We should continue to support law enforcement efforts against major traffickers (as we do for major traffickers of drugs like alcohol and tobacco).

Drug reform policy can only happen politically with multi-party and Commonwealth-State mechanisms. This follows the successful model developed from the mid 1980s for the National Campaign Against Drug Abuse and our HIV/AIDS strategies and gun law reform in 1996.

Drug policy reform is now inevitable. It will happen incrementally and primarily be driven by fiscal concerns. When cannabis reform was introduced recently in the Northern Territory, the government justified the policy change entirely on fiscal grounds. Reform will happen faster if we find better ways of getting the policy camel to pass through the eye of a political needle. This requires the issue to be taken out of the 36 or 48 month political cycle and sorted out on a national basis while accepting the power of market forces. It will happen faster if we can develop better answers to the question "Yes Alex but what's in it for me? Why should I try to push the envelope?" Politicians are generally more comfortable following than leading public opinion. But they are prepared to lead if public opinion appears to be catching up with the views of opinion leaders and if policies are saleable. What makes drug policy reform eminently saleable is the youth vote for cannabis and the appeal for older voters of a reduction in property crime, insurance costs, security costs and police corruption.

The Serenity prayer by followers of Alcoholics Anonymous all over the world asks God to provide acceptance for the things which cannot be changed, courage to change the things that can be changed and the wisdom to know the difference. This prayer is as relevant to people worried about their community's response to drugs as it is to people worried about their own alcohol consumption. We need to begin accepting the reality that many members of communities all over the world have sought, and will continue to seek, mood altering drugs. We need to accept that our responses to this drive are often more harmful than the substances themselves. We need the courage to change those man made laws which can be changed and which create more harm than they prevent. And we need the wisdom to recognise things which cannot be changed and select from prohibition that which is worth keeping.

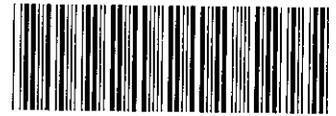


Photo - David Karamidis

Linda Jaivin

Linda Jaivin used to write about China. Then she became a novelist. Her first novel *Eat Me*, a runaway success, was quickly followed by a second, *Rock N Roll Babes From Outer Space* (Text 1996). On Tuesday 8 October 1996, Linda Jaivin addressed The Sydney Institute to discuss aliens from outer space, the planet Earth, everything in between and how to write about it.

ALIEN SEX FIENDS,

OR HOW I LEFT THE FIG SECTION OF MY LOCAL SUPERMARKET AND ENDED UP IN OUTER SPACE

Linda Jaivin

*Look at the stars! Look up at the skies!
O look at all the fire-folk sitting in the air
The bright boroughs, the circle-citadels there!*

Horace, First Century BC

Good evening, fellow earthlings, I'm here to bring you the news that our world is being taken over by aliens. Don't panic. But do take note: the space dudes have wrested control over prime time television. They've captured whole shelves in the bookstores. They have made significant inroads into popular music and penetrated the world of advertising. Humungous alien war machines, meanwhile, are blowing up New York and Washington once every fifteen minutes or so right here in Australia, as *Independence Day* carries out a massive blitz on our cinemas.

Titles like *UFO Library* and *Nexus* have infiltrated the magazine racks in the newsagents, mainstream journals carry reports on alien obsession, and the tabloid press brims with flying saucer sightings – UFOs traumatising late night drivers in the Dandenongs one week, performing flybys on policemen in Queensland's Gladstone the next. The new true believers wave copies of their bible, Erich Von Daniken's *Chariots of the Gods?*, ask "is God an astronaut?", and mount the public confessional box of the television talk shows to reveal: I SAW THE LIGHT AND IT CAME FROM A FLYING SAUCER, MY MOTHER WAS IMPREGNATED BY ALIENS, MY DOG WAS ABDUCTED BY A UFO.

Do you know where your dog is tonight?

You've surely noticed the signs of alien mind control. Has it occurred to you, for instance, how many people – people living right next door to you, perhaps living with you – refuse to leave home on Wednesday nights? Wednesday night stay-at-home syndrome is a direct result of abduction by *The X-Files*. I don't want to go around mindlessly promoting conspiracy theories, but don't you think there's something slightly fishy about the fact that The Sydney Institute tends to hold its talks on Tuesdays? What's this really about, hey?

We've seen this sort of thing before. The first time They Came From Outer Space – and came and came and came – was in the fifties. In 1950 an Oregon farmer called Paul Trent took what purported to be the first photo of a flying saucer. The wave of sightings that followed lasted the entire decade. The fifties was a major era in the annals of UFO mania. It was also a time when the Cold War dominated the popular imagination – and with it the fear of a foreign enemy capable of brain-washing, infiltration and destroying our way of life. It was also a time when Dresden and Hiroshima and Nagasaki were fresh in memory, and people were coming to grips with the notion of mass death and horror that came from the skies.

Hollywood certainly had its antennae tuned to the Zeitgeist. The fifties was the era of films with titles like *The Thing*, *Invaders from Mars*, *The Day the Earth Stood Still*, *Forbidden Planet* and, of course, *It Came From Outer Space*, not to mention Orson Welles' infamous radio broadcast of H.G. Wells' 1898 novel *The War of the Worlds*.

The aliens launched themselves into the world of pop music around the same time with such songs as Billy Lee Riley's 1957 hit *Flying Saucer Rock 'n' Roll*. Jimi Hendrix included space themes on his 1968 album *Axis: Bold as Love*, and UFOs have appeared in songs by Earth, Wind and Fire, John Lennon, the Byrds, the Rolling Stones and too many others to catalogue here. The jazz composer Sun Ra believed he was an alien, David Bowie pretended to be one, and it is my understanding that scientists working in secret, US-government-run installations somewhere in the Nevada desert are very very close to verifying the fact that Michael Jackson *is* one.

When former Nirvana drummer David Grohl decided to start up a band of his own, he called it the Foo Fighters after the term given to glowing balls of light that World War II pilots from several different countries reported seeing darting around their airplanes.

The term "foo fighters", incidentally, comes from a phrase used by a cartoon character from the era named Smokey Stover, whose stock phrase was "Where there's foo there's fire", apparently a play on the French word for fire, *feu*. In my novel *Rock N Roll Babes from Outer Space*, I borrowed the moniker Smokey Stover for the name of the band. You will now, incidentally, be the only people on this entire planet to get that particularly obscure literary reference.

We may think it all a bit of a laugh – I certainly milked UFOria for all it was comically worth in *Rock N Roll Babes from Outer Space*. The aliens in my book think the earthlings' obsession with them is a cack. They hold X-Files parties in which they all dress up as Agents Fox Mulder and Dana Scully, consult *The Hitchhiker's Guide to the Galaxy* as a sort of intergalactic *Lonely Planet* and take the piss out of poor little ET for making such an exhibition of himself on his ill-fated trip to earth.

But there are a number of people who take the whole UFO thing extremely seriously indeed. A Saulwick opinion poll from eight years ago revealed that 42 per cent of Australians believed in UFOs. I wouldn't be at all surprised if that percentage were even higher today. If you look in the Sydney phone book under UFO, you'll find UFO Abductions & Contacts, UFO Australia Encounters, the UFO Experience Support Association, the UFO Investigation Centre, the UFO Report and Sightings Hotline, UFO Research, and UFO Researchers Independent Network. The UFO Report and Sightings Hotline told me that they've received 12,000 calls in four years. That's an average of more than eight calls a day. They stressed that probably nine out of ten calls report phenomena that can be explained away fairly easily. That still leaves 1,200 possibilities that, as Fox Mulder and Dana Scully would have it, the truth is out there.

Personally, I keep an open mind on the subject of whether there is intelligent life elsewhere in the universe. Our galaxy alone is home to some 400 billion stars, about one quarter of which, scientists believe, may have planetary systems. If only a few planets in each system were capable of supporting life, that's still more than 100 billion planets. Even if only a tiny fraction of those actually did develop life forms of some sort, and only a minuscule proportion of those had some kind of intelligence, say, even up to the level of a rock 'n' roll drummer, we might still be talking about millions of planets – and a lot of interplanetary noise complaints. And that's just our galaxy. The universe contains about 100 billion galaxies. Given all that, a belief at least in the possibility of little green men or women (or great big purple people eaters) is not necessarily a sign that it's time to call in the guys in white coats – the ones with stethoscopes, not telescopes.

One of Britain's most celebrated airmen, Air Chief Marshal Lord Dowding, wrote in 1955: "I have never seen a 'flying saucer' and yet I believe that they exist. I have never seen Australia," he added, "and yet I believe that Australia also exists. My belief in both cases is based upon cumulative evidence in such quantity that, for me at any rate, it brings complete conviction."

My position as renegade China specialist, occasional journalist and baby novelist hardly qualifies me to give you a definitive answer to the question of whether there is life in outer space. As a writer, what most fascinates me is what aliens have come to mean to us earthlings in the late Twentieth Century.

In fact the truth is not so much "out there" as "in here" – in our little earthling hearts and minds. As in the fifties, we are gripped today by generalised anxieties about the end of the world. Wars rage around the globe, nuclear holocaust is still a threat, and environmental prospects grow ever bleaker. Then there's the coming of the new millennium. Not surprisingly, we tend to imagine aliens either as

fulfilling our worst fears – they have come to destroy us – or as on a mission to save us from ourselves, bearing a cosmic message of love and peace.

But there's something else that intrigues me about our fixation on aliens. There is an element of the fairy tale in stories of encounters with aliens – whether the stories come out of Hollywood or the inside pages of the tabloids.

Listen to the following description:

. . . there was first a dazzle of light, and then I saw that this came from the heart of a tall figure with a body apparently shaped out of half-transparent or opalescent air, and throughout the body ran a radiant electrical fire, to which the heart seemed the centre. Around the head of this being and through its waving luminous hair, which was blown all about the body like living strands of gold, there appeared flaming wing-like auras. From the being itself light seemed to stream outwards in every direction; and the effect left on me after the vision was one of extraordinary lightness, joyousness or ecstasy.

That was written by the Irish poet George William Russell, "AE", who lived from 1867-1935, and it is, quite literally, a fairy tale, for "fairy" is the name which he gave to the "being" in his vision.

Some people have suggested that perhaps one way to understand the phenomenon of aliens – and fairies and elves and leprechauns and all the other marvellous and fantastical creatures that have demipopulated our world since just about forever – is to think of them as apparitions produced by chemical reactions in the brain, unusual inner states or psychic visions.

I'm not sure when the nymphs abandoned the rivers and mountains to the UFOs, or when the angels and sylphs gave the skies up to the space people, or when the fairies' skin began to take on a metallic hue, but I suspect that if you can put a date on it, it would broadly coincide with Nietzsche and the death of God, the elevation of science into a new church for the modern age, and the beginnings of aviation.

However you explain it, there is something about aliens – and fairies before them – that intrigues me as a writer, and that is the possibilities that they present for exploring a more magical realm that is contained within more realistically grounded genres of writing.

In the introduction to his book *UFOs: A Manual for the Millennium*, Phil Cousineau writes:

For millions of people, the UFO phenomenon, whether experienced firsthand or vicariously through movies, books, or magazines, has reenchanting modern life. Enchantment not in the sense of being hypnotised, but of being deeply moved, revitalised, through a renewed awe and wonder about the riddles of our world.

Enchantment, awe and wonder strike me as excellent ingredients for fiction. That declaration, incidentally, should liberate me at last

from any lingering accusations that what I write belongs to the category of grunge fiction. Whatever grunge fiction is supposed to be, you can safely say it does not trouble itself much with enchantment or mystery.

Of course, enchantment doesn't have to be literal. It may be contained in a meeting between two people, such as when Miranda first claps eyes on Ferdinand in Shakespeare's *Tempest* and pronounces him "a thing divine", or in the description of place like John Berendt's Savannah in *Midnight in the Garden of Good and Evil*, or it may permeate an entire body of work as in the novels of Gabriel Garcia Marquez, Salman Rushdie and Milan Kundera.

Personally, I've chosen the literal approach. *Rock N Roll Babes from Outer Space* tells the story of three spunky extraterrestrial chicks who come to Sydney, Earth, neither to save us nor destroy us, but for sex, drugs and rock 'n' roll – to have a bit of fun, in other words. Along the way, they enchant nearly everyone they meet, a few hapless earth boys in particular, with that good old alien magic. When they abduct a guitar, bass and drum kit, they rocket to rock 'n' roll stardom and accidentally save the world. What I enjoyed most about writing the novel was the fact that while most of the action takes place in very real settings – in Newtown pubs, poolside at the Sebel Townhouse, and on the beach at Byron Bay, for example – I could animate this world with such characters as Eros the lonely asteroid, Captain Qwerk the earnest alien commando, a flock of Cherubim, and even the Sleep Fairy makes a cameo appearance.

As a long-time journalist, I revel in the freedom that fiction bestows. When I wrote *Eat Me*, my first novel, I got a delicious thrill from dreaming up a rude supermarket sex scene. It involves the excessive and improbable erotic use of all manner of fresh produce (figs are not the only fruit) in a scenario that I can't quite see anyone pulling off – so to speak – in real life.

Helen Garner, in the introduction to her marvellous collection of essays, *True Stories*, wrote about her relief in turning from fiction-writing to journalism, at being able to shed what she calls the "irksome obligation to make things up". For me, the journey was in precisely the opposite direction. Moving from non-fiction to fiction, I felt an extraordinary relief at being able to shed the irksome obligation to stick to the facts.

One of the problems I always found in sticking to the facts was that there were so few of them that could be relied on in the first place. This is true wherever you work as a journalist. But my particular speciality was China, its contemporary culture and politics. I spent years in China, speak fluent Chinese, and have a fair grasp of Chinese customs and history. Yet I was forever aware that hard facts were about as difficult to come by in China as a really good cafe latte, and a lot more important. Nothing was ever quite what it seemed. Statistics were

convenient political fictions. When the *People's Daily* announced that the "situation was excellent", it always meant "the situation couldn't be worse". Under a system that institutionalised dishonesty and made lying a way of life, you sadly couldn't even always trust what your friends told you either.

Then there's the problem that China reporting is an essentially voyeuristic activity. As a non-Chinese, you are forever an outsider looking in, a position with which neither side can ever feel completely comfortable. The virulent and xenophobic strain of nationalism that is currently sweeping China, moreover, means that no matter what you write about the place or how you write it, you are going to encounter enormous hostility – many Chinese intellectuals today insist foreigners have no right to any view on their country's affairs at all. Which means that despite the fact that I dedicated my entire university career to learning about China's language and history, lived there for nine years of my life during which time I mixed almost exclusively with Chinese people, despite the fact that I have marched for democracy in Hong Kong, been harassed by Taiwan's Garrison Command, terrorised by the mainland's secret police and traumatised by Tiananmen, I am still not perceived by many Chinese as having a right to an opinion on any of it. (Am I bitter?)

For other reasons as well, reporting on China never seems able to capture the weird reality of the place. How can you describe – without appearing patronising – the sight of peasants, with their garlicky smells and bright nylon clothing, shuffling straight from the patriotic dawn flag raising ceremony at Tiananmen Square to MacDonald's to sample their first taste of "Western cuisine"? How do you communicate to English language readers the subtle ways in which the Chinese language can be used to layer a statement of apparent humility and respect with a contempt and irony, for instance, or explain the emotional resonance of a sly allusion to a Tang Dynasty poem in contemporary speech?

As a journalist, you interview a dissident artist in a darkened room at the back of a gallery. His friends guard the door. Undercover police in risibly obvious plainclothes observe the crowd and the work with equally impenetrable expressions. The artist speaks against the revolution in the brave clichés of revolutionary romanticism, for that is the language of courage in all the films and books he has ever read. He is playing the public hero, and if he has private fears, he will save them for when the tape recorder is turned off. But what has always interested me most is how the courage and the fear must jostle in the artist's mind, and what conflicting emotions are animating the brains of the blank faced policemen, many of them the same age and similar backgrounds to the artists.

You can take the step that Tom Wolfe and other proponents of the school of New Journalism do and perpetrate a break and enter on

their subjects' thought processes. As a reader I enjoy that in the reports of Wolfe and his contemporaries, notably Hunter S Thompson and P.J. O'Rourke, all of whom I admire tremendously. Yet, as a writer, somehow that doesn't go far enough – while at the same time going altogether too far for most journals that publish anything on China. There's not a huge call for New Journalism among publications like the *Asian Wall Street Journal* and *The Far Eastern Economic Review*.

And so gradually, I found myself moving from the world of Sinophiles to that of Sex Files and finally X-Files. I know that some people consider this a bit of a Great Leap Backwards, and some well-meaning souls keep asking me when I'm going to get back to my serious work, meaning China. One of the editors of a major Australian newspaper recently asked me to write something on China. I told her I was immersed in fiction writing. She sighed and commented that she thought that I did my best work on China, which made me feel a bit like Woody Allen must feel when people tell him they liked it when he made funny movies.

But even if it's not so terribly obvious, there are definitely a few threads of continuity that run from China reporting through to fig play and finally to alien love children running amok in Newtown. One is that whatever I have worked on, it has been people who have interested me the most – not Politburo machinations, or political campaigns or special economic zones. That's probably why I chose the subject of sexuality in China as something of a speciality within a speciality. Perhaps it's also due to some perverse desire to get at the most secret place within a society of myriad secret places.

Let's face it. Sex is a great way to get to know people. It is the ultimate close encounter, the most sublime communion, and a potentially awesome form of enchantment.

Eat Me is certainly first and foremost an erotic romp, and a comic one at that, so I don't want to make it seem like some serious treatise. But, in its odd, irreverent, even flippant way, it is also intended as an exploration of the peculiar nexus of desire, fear, ideology, image and action which defines contemporary sexuality. I wanted to expand on this theme in the second novel, but to raise the enchantment stakes at the same time.

My years as an alien in China gave me a reasonable basis for imagining some of the trials and tribulations of intergalactic cross-cultural communication. My ever-hyperactive erotic imagination, meanwhile, meant that I could see intriguing possibilities in earthling-alien sex. Have you noticed the frequency with which alleged alien abductions are supposed to involve some form of "sexual experimentation"? Forget black lace, suspender belts and throbbing body parts in the shape of Sydney Tower – it would appear that the uber-fantasy of the human race involves silver skin, large, insectoid eyes and an

alarming array of medical instruments. I like the idea that sex with aliens connects us to some cosmic grid, that it's a symbolic bridge to some greater spiritual reality. I also like the fact that it gives you incredible freedom to write hot sex scenes involving such things as unstable genitalia, small furry space pets and very strong teeth.

And so, I wandered from China, where I'd come to understand the treachery of facts, into the fig section of my local supermarket, where I gave myself up to the seductions of fiction. From there, it was only a small step to take the advice given by Horace: "Look at the stars! Look up at the skies!"

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Fred Hilmer



Lex Donaldson

Photo - David Karonidis

Management Redeemed is about debunking the fads that undermine our corporations. On Thursday 10 October, Rob Ferguson, Managing Director, Bankers Trust Australia, together with authors Fred Hilmer, Dean, Australian Graduate School of Management, and Lex Donaldson, Professor, Australian Graduate School of Management, launched *Management Redeemed* at a lunchtime forum. The central message of the book, according to Rob Ferguson, is that "there are no gimmicks and no shortcuts to sustained corporate success".

MANAGEMENT

REDEEMED

Rob Ferguson

The Sydney Institute is all about promoting debate on important issues of public policy – and so it is very fitting that the Institute should be the forum for the launch of *Management Redeemed* by Fred Hilmer and Lex Donaldson.

Management Redeemed tackles one of the more important public policy issues of our time: business management – how to do it, how to improve it, how to analyse it. And it does so successfully on two levels: with useful advice for practitioners and thoughtful arguments for policy makers and commentators.

The Sydney Institute is proud to claim a role in the genesis of *Management Redeemed* insofar as the Institute in 1993 sponsored an Independent Committee – chaired by Fred Hilmer and with Lex Donaldson as a member – which published a precursor to *Management Redeemed*, titled *Strictly Boardroom*. *Strictly Boardroom* pointed to the follies of a simplistic approach to corporate governance and explained how a better balance needed to be struck between encouraging wealth creation and regulating those (few) business people whose behaviour warranted it.

Management Redeemed has built on that work – generalising the message beyond issues of governance to the overall management of large enterprises, and beyond the domestic arena to the global. But the theme is the same – and it is a theme that I have a great deal of sympathy with. Fred Hilmer and Lex Donaldson have set out to expose the shortcomings and simplifications that characterise much of the popular literature about contemporary management.

Fred and Lex look at “downsizing” and “re-engineering” and “benchmarking” and some of the other alleged short-cuts to business success, and discover fads and formulas that are dangerously misleading and over-simplified. They look at Tom Peters and discover feet of clay. They look at Al Dunlap and discover not so much a chain saw as a buzz word.

Their central message is that there are no gimmicks and no shortcuts to sustained corporate success. Management is about dealing with real complexities and real challenges that demand hard work, relentless pursuit of facts, and – in their words – “the disciplined application of fundamental concepts guided by values and reasoned analysis”. It is with this realistic and principled message that Fred and Lex seek to “redeem” management. Their argument is a timely one, and it is one that has broad application.

I was amused to read in a recent *New Yorker* an article about Jack Kemp and Al Gore, Vice-Presidential candidates in the current US election campaign, who are both what the author Michael Kelly describes as “Esperanto-type cranks”. Kelly writes:

The Esperanto-type crank is a sort of unified field theorist, a believer in the one great idea that will fix everything, the overarching concept that puts it all into context.

Kemp’s one great idea is fiscal policy – and he is capable of talking for half an hour without pause about the Bretton Woods agreement. Gore’s one great idea is systematology – the interconnect-edness of everything from, as Kelly harshly puts it, the Black Death through F. Scott Fitzgerald to women’s rights. The point is, for all their intellectual earnestness, neither is right.

Politics is too complicated for such sweeping all-purpose solutions. I agree with the English philosopher John Grey, who described the lot of politicians as “a desperately humble task of endless improvisation in which one good is compromised for the sake of others, a balance is sought between the necessary evils of life and the ever present prospect of disaster is staved off for another day”.

The same applies in business. Virtually any decision a manager takes will create winners and losers, and there is no moral yardstick that suggests creating losers is bad while creating winners is good.

To the ideological or theological purist, or to the quick-fix guru, or to the Esperantist-type crank, nothing is worse than compromise. But to the real world manager, compromise is the only realistic way forward, given an environment of finite resources, imperfect knowledge, pressing deadlines and competing claims.

Of course it’s not easy, but managers have the responsibility to do it to the best of their ability – to find the compromise that best balances the various interests at play. Sometimes that will result in downsizing, retrenchment, business closure.

But no sensible managers should *prefer* those outcomes, or *assume* those outcomes will deliver some greater business benefit – just as they should not expect some special moral reward for taking decisions that result in different outcomes.

From my own experience I can attest that there are no winning ideologies, no simple answers, no sudden solutions. Every day brings its

own problems and trade-offs and the certain knowledge of more to come.

For these reasons I am happy to welcome this book and now to invite first Fred and then Lex to speak to us.

MANAGEMENT

REDEEMED

Fred Hilmer

Thank you Rob, Gerard and Anne Henderson, for The Sydney Institute's invitation to us to launch our book in Australia. Even though both Lex and I have published before, seeing the result of some two years of writing, talking, research and rewriting finally in print is very exciting.

This book in particular is a first for both of us, though in different ways. In my case, in writing *Management Redeemed* I shifted from concentrating on peculiarly Australian issues to dealing with management in a global context. For Lex, it is his first foray into writing for practitioners versus academics. And for both of us, it is our first major true collaboration.

I will talk about why I wanted to work on this book, and what I see as the key ideas. Lex will then comment on three particular areas, structure, culture and governance, and you might then wonder how the book ever got written, let alone published.

I wrote this book because I care about the practice of management, because I believe that good management is critical to modern democratic societies, and because I am deeply concerned about widespread misunderstanding of what good management is about, how it is achieved and why it is important.

Why then is good management important? Because, despite what you may read about small is beautiful, downsizing is the way to go and middle management is fast becoming extinct, big, complex and hierarchically-managed global companies are and will remain vital engines of economic growth. The cars we drive, the computers we use, the entertainment we value, the food and drinks we consume, the services we buy are all underpinned by companies like General Motors, Toyota, General Electric, Sony, McDonald's, Coca-Cola, BHP, Telstra, CRA and the National Australia Bank. The success of these companies in turn provides opportunities for others via job growth, purchasing and partnering.

These kinds of companies aren't dinosaurs in the process of becoming extinct, contracting and shrinking to be replaced by small, nimble firms. Some large firms will wither because they will not be able to compete, but the large corporation is here to stay, and getting bigger. Most of these giant firms will survive and grow, and if they stumble, they will be replaced by other big firms, not tiddlers. This has occurred in computing with the rise of new giants such as Microsoft, Intel and Netscape, more than offsetting what looks like being a temporary contraction at IBM. The same story is true in retailing with chains like Wal-Mart, K-Mart and Big W replacing many of the old line department store groups such as Anthony Hordens.

Australia, however, appears to have fewer of these kinds of firms than might be expected given the size of our economy. As the table shows, Australia's top 16 global companies that made the 1996 Business Week 1000 listing tend to be far smaller than participants in the top 1000 from other nations. The average size of our top companies is half that of the top US firms and one-third to one-quarter the size of major firms in Japan, the Netherlands and Korea. The sales of these top Australian firms total less than 20 per cent of GDP, compared with 50 to 100 per cent for the other nations. Moreover, the success of the major firms overseas are often underpinned by global brands – Toyota, Sony, Samsung, GE, Coca-Cola. Of our top 16, possibly only Foster's could make this claim.

Country	GDP 1994 \$USbn	# Top 1000 firms	Sales Top 1,000 1996 \$USbn	Sales/Co. \$USbn	Sales/GDP \$USbn
Japan	2702	227	2930	12.9	108
Netherlands	278	18	268	14.9	96
South Korea*	472	12	263	21.9	56
US	6955	422	3495	8.3	50
Singapore	63	13	22	1.7	35
Australia	358	16	68	4.25	19

Sources: Business Week, 8 July 1996, World Competitiveness Yearbook 1996
*From Fortune Global 500, *Fortune*, 5 August 1996.

This lack of super corporations is likely to be the result of many factors including an overly domestic orientation, distance, and, as *Management Redeemed* discusses, an under-investment in and lack of appreciation of the practice of management. The popular perception of a manager in Australia (and many other countries as evidenced by the success of Dilbert and John Cleese) is often one of the bumbling bureaucrat, the overpaid paper shuffler who stands in the way of progress and the good ideas that bubble around on the shop floor. These managers, in addition to being unproductive, are also seen as untrustworthy, more concerned with improving their status, pay, job size and size of their corporations by takeover than with generating

value, jobs and growth. In fact, even the word “manager” is seen by many as inappropriate, with calls for “more leaders, fewer managers”, or “coaches, not managers”.

We take a different stance in *Management Redeemed*. To us, the important question for a society is how can these large, global, hierarchically-managed companies be encouraged to develop and become successful. Our answer is via management – and not just top management, the people you read about in the papers such as John Prescott, Bob Joss, Don Argus, Tony Berg and Rob Ferguson. Hundreds or even thousands of other managers in large corporations also play critical, though oft misunderstood, roles. Improving management means encouraging the best talent into these jobs, and then educating these people and giving them the experience and incentive to perform.

However, the more common solution to improving management, and one we firmly rebut in *Management Redeemed*, is that success is more likely by getting rid of, downgrading, simplifying – even trivialising – the practice of management. The media and society in general don’t understand and are suspicious of management, probably because of the experiences with a few bad apples. Hence calls to radically flatten structure, abolish hierarchies, adopt cultural solutions to business problems, and to substitute simplistic techniques to clear hard thinking find a ready audience. A Qantas manager once described this to me as “management by sheep dip”. Similarly, as was first raised in *Strictly Boardroom*, calls to police management’s activities by a so-called independent board led by an independent chairman are accepted unthinkingly.

In taking the contrary view we carefully examine decades of research and the experience of successful global companies. Hence we rebut five “false trails” with respect to structure, action, techniques, culture and governance, each of which is illustrated by a number of fads, and argue for the professionalisation of management. These five false trails are:

- Flatten the structure. Until all hierarchy is abolished unproductive bureaucracy must be exposed and eliminated.
- The action approach. Don’t become immobilised by planning, reflection or analysis. Allow people to follow their natural instinct and intuition. Focus on visions, not numbers.
- Techniques for all. As problems arise, find the right technique, and apply it quickly, and then move on to the next one. There is no situation that can’t be fixed by methods such as portfolio planning, value-based planning, niche strategies, total quality management, benchmarking, reengineering or gainsharing.
- The corporate clan. Model the organisation more along the lines of a happy family than a hierarchy. Create a corporate culture that guides and encourages. Abolish rule books and procedures

manuals and rely on culture to define what is good or bad, right or wrong.

- The directors to direct. Fix the board to better scrutinise management actions and decisions. Make sure that the board chair and a clear majority of directors are tough-minded, independent non-executives who are prepared to call the shots and ensure management keeps the shareholders' interests paramount at all times.

There is also a positive side to the arguments in *Management Redeemed*. For management to achieve the status of a respected profession a number of improvements in current practice are proposed. These include:

- A stronger dedication by managers to lofty ideals based on building and sustaining large corporations as socially important contributing organisations, versus an obsession with power rewards or perquisites. Society and management need to come to grips with what makes management a worthy calling.
- Appreciation of the need for mastery of a body of knowledge via learning and experience versus the appeal of the quick fix.
- Respect for sound reasoning, facts and analysis, rather than a "just do it . . . don't waste time on thinking and analysis" attitude.
- Use of clear, jargon free language versus current management speak such as "empowerment", "vision" and "culture".
- Adherence to high ethical standards, reflected in a preparedness to say "no" versus the "yes-man" caricature of middle management.

MANAGEMENT

REDEEMED

Lex Donaldson

I would like to begin by echoing Fred's thanks to Rob Ferguson for his introduction, and also to thank Gerard and Anne Henderson of The Sydney Institute for organising this launch. And I would like to thank you all, as leaders in the Sydney business management community, for joining us here today.

I want to focus on some messages from our book.

We live in a time of Anti-Management. Almost wherever you turn – newspapers, the seminar circuit or university business schools – you see the Anti-Management approach. Managers are criticised and management is generally derided. In our book we defend management and we tackle five aspects of this Anti-Management approach. I want to concentrate today on three of them.

The first is flatter structures. Get rid of managers to make the structure flatter and the organisation lean and mean. In particular, get rid of middle managers, so that there is little between the Managing Director and the frontline troops. The extended managerial hierarchy of the large company is to be torn down.

The second is the corporate clan. Here the idea is to use corporate culture – that is everyone in the organisation thinking the same and valuing the same things – so that everyone co-operates spontaneously. Thus hierarchy and control by managers is unnecessary. So again we can get rid of managers and the management hierarchy. Instead we have a clan.

The third is the board of directors managing the company. Managers are to be removed from the board and replaced by non-managers, that is by non-executive directors. In particular, the chairperson of the board is to be a non-executive, that is not a manager of the company, and especially not to be its Managing Director. Thus managers are to be denied the status of directors of the company. Further, the managers are to have their power reduced by the board exercising greater control. More and more of the decision-making is to be taken out of the hands of managers and concentrated in the board.

This extends to the formulation of the strategy of the company. We hear many calls for such board reforms and they work to reduce the status and power of managers.

These three ideas – flatter structures, corporate clans and powerful, non-executive boards of directors – all are anti-management. They are popular ideas which have been increasingly influential. Unfortunately they are also wrong. A purpose of our book is to show that these three ideas are fallacies. By so doing we seek to shift current thinking about management into a sounder and saner direction.

In our book, we have a chapter on each of the three fallacies: flatter structures, corporate clans and non-executive boards. Let me briefly pick up a few points about each of them.

The first fallacy is flatter structures. The fallacy here is to assume that all or most organisations need flatter structures. Some do, but not all. Some organisations have tall structures but need them. Other organisations have structures that need to be taller. How tall a structure is required depends on a number of factors, particularly the size of the organisation. It is nonsense to assume that all organisations need to have their structure flattened. Advocates of flatter structures claim that such structures speed communications and decision-making, ensuring faster response by the organisation to its changing environment. However, flattening a structure below its optimal level simply produces overloaded top managers which leads to breakdowns in communications and slow decision-making. These are serious problems and, ironically, they are similar to the ills supposedly removed by flattening structures.

Many people assume that flatter structures are needed because, as organisations grow larger and their hierarchies grow taller, the ratio of “Chiefs to Indians” grows also. Thus large organisations are held to be inherently top-heavy. However, the best academic research has shown that this belief is false. As organisations grow large the ratio of “Chiefs to Indians” actually declines. This is part of the economy of scale of large organisations. Thus large organisations are less top-heavy than small organisations. Contrary to conventional wisdom, there is no inherent flaw in large corporations. There is no cancer needing to be surgically cut out.

The second fallacy is corporate culture. This assumes that organisations work best when all their employees think the same. However, research has shown that in successful, large companies, the employees do not all think the same. There are different views held by each division and by each functional department. The modern organisation is not a simple tribe, it is a complex mosaic of different sub-cultures. The difference in outlook between, say, the production and the R&D departments provides a creative tension which is necessary for innovation. These tensions need to be actively managed and there is a role in this for managers and hierarchy.

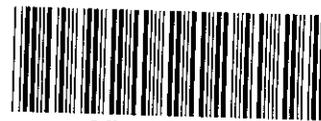
Attempts to over-rely on managing by culture tend to stifle diversity. Our increasingly diverse work-force, in terms of gender and ethnicity, militates against sameness as the organising principle. Indeed equal opportunity requires an impersonal approach, that is reliance on formal appointment procedures, qualifications and objective performance assessments, that is a bureaucratic approach. Clans work by restricting membership to those only from a certain family or social class or school or gender. Thus clan management is the past of cosy clubs, not the future of diversity.

The third fallacy is the non-executive board of directors. The fear is that boards of directors dominated by the executives, that is by the managers of the company, will lack discipline, so reducing profits and returns to shareholders. The claim is that non-executive boards will provide this discipline and so yield higher profits and returns to shareholders. Some research studies support this view that non-executive boards are superior, leading to superior outcomes. However, many research studies show the opposite, that is, that boards of directors where managers predominate show superior outcomes of profit, returns to shareholders and the like. In a study presently being conducted at the AGSM, jointly sponsored by Booz-Allen and Russell Reynolds, we examine large Australian companies. We find that superior outcomes, such as returns to shareholders, result, not from non-executive boards of directors, but from executive-oriented, that is managerially-dominated, boards. The presumptions that managers typically need to be disciplined and that boards provide such a control are challenged by such results. The presumed superiority of the non-executive board is grounded in anti-manager sentiments but is revealed by inquiry not to be soundly based. Certainly, for the present time, it is unwise to "reform" boards by mandating that their chairperson and a majority of their directors should be non-executives.

Again, at board level, the anti-management mood has reached near hysteria on the question of the pay of top managers. When top managers are paid a straight salary this is taken as evidence that their interests diverge from those of the shareholders. To ensure a confluence of such interests, top managers are increasingly partly paid through incentive schemes tied to share price. Some modern CEOs receive large pay, mostly due to hefty incentive bonuses triggered by rising share price. When this happens the media and commentators cry "foul". Yet a large pay-out caused by rising share price is exactly the intent of such incentive schemes. It's a case of damned if you don't and damned if you do. If the CEO receives only modest pay through straight salary, then he or she will be criticised for not having the interests of the shareholders at heart. But if the CEO receives large pay through share price rise they will be criticised for being greedy. Such is the anti-management hysteria at present.

We reject the three ideas of flatter structures, corporate clans and control by non-executive boards. All three are, as we have seen, anti-management. They are popular. But they are naive and wrong. Our book seeks to challenge these and other fallacious ideas. In so doing we seek to reverse the trend to denigrate and trivialise management. In closing, Fred and I invite you all, as leaders of business opinion here in Sydney, to join with us, to redeem management.

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Photo - David Karandis

Bob Carr

In May 1995, the NSW Labor Party won the State election by just one seat. A year and a half later, with a slightly increased majority of three, the NSW Labor Premier, Bob Carr, addressed The Sydney Institute on Tuesday 15 October 1996, to reflect on the progress of his government. Bob Carr told his audience that Sydney, as the most multicultural capital in the Asian-Pacific region, could boast of a workforce that was outward looking and competitive and a great selling point in a global economy.

THE RECORD OF

THE CARR LABOR GOVERNMENT

Bob Carr

It's a pleasure for me to be at The Sydney Institute again. I was here with Nick Greiner at the launch of the Institute in 1989 and it is a pleasure to return as Premier. In part because we are the only state, with Queensland, that came out of the 1980s with a clean economic bill of health; in part, because we are the only government in Australia that has a real sense of the future as demonstrated by our recent position on forests. NSW has the luck and the discipline and the ingenuity. It was a bipartisan triumph to have won the 2000 Olympics with all its attendant publicity, with commercial motivation and entrepreneurial energy. New South Wales is in good shape. We are attracting the world's attention.

It's worth stating in the current swirl of debate, that Sydney is one of the most multicultural cities in the world. It is the most multicultural capital in the Asia-Pacific. We've got the greatest depth and diversity of Asian language skills in the region and strong business links from the one in twenty of our residents who were born in Asia. More than 150 nationalities are represented in Sydney. Out of a population of 3.8 million, 1.5 million, or four in ten were born overseas. About 380,000 were born in Asia and they represent ten per cent of Sydney's population.

So New South Wales and especially Sydney, should have a particular perspective on any debate about multiculturalism or race. It is a perspective based on the clear economic and social advantages to our people, to all our people, of our cultural and linguistic diversity. The fact is we are winning investments for this city because we are able to boast, to potential investors, of our cultural diversity and the depth of our language skills. It is an economic advantage that we are a multicultural society and it's paying off in terms of investment.

American Express opted to locate their regional headquarters in Sydney – not in Brisbane, not in Melbourne, despite the economic inducements offered to them, and not for that matter in Hong Kong or Singapore or Jakarta but here in Sydney. The comparative advantage

that Sydney had to offer that counted most with them was the cultural diversity of our population. American Express is seeking a workforce of about 800 over the next four years. They've got their best chance here in Sydney of getting the range of language skills they need. People can pick up the phone and be answered in native born Korean, native born Mandarin, native born Shanghaiese and the other languages of this region. It's here in Sydney that they can recruit such a workforce. Now that is a big symbolic investment but also one of great practical importance as well. Cultural and linguistic diversity drew American Express to Sydney rather than the other cities that were vying to get this major centre which will have customers ringing it from any part of the Asia Pacific region.

Another example of strategic investment are the Fox Studios. In securing this investment and securing it for the showground site we, not Brisbane, not Melbourne, not New Zealand, not any other city in the Asian region have become home for the biggest item in movie making investment outside Hollywood in the English speaking world. It will be a great advantage for us in the future. It means in the immediate term that over 1000 jobs will be created. It's a strategic investment. With this investment anchored here we can only speculate about our chances of getting a slab of movie making from Hong Kong or any other part of the Asian region.

I visited the set of an Australian movie recently down at the Malabar Surf Club. The crew marshalled there impressed on me that Australia offers advantages that are very considerable in terms of the economics of movie making. They said we've got the depth of quality in staff, in skills and we've got the equipment – cameras worth half a million dollars on their own. We've now got the experience and proven success that really qualify us for bidding for more of the world's movie making. So Fox Studios at the Showground site, close to the city, close to the airport, will be of huge strategic importance as we craft the city's economic future.

It's clear that another ingredient in our success is an advantage we can boast of in attracting regional headquarters. Every part of Australia knows that there are jobs and suitable investment to be won in drawing regional headquarters to their area. The fact is Sydney is winning hands down – 70 per cent of the regional headquarters coming to Australia come to Sydney. They come here because of the comparative advantages that we have marshalled. Finance and information technology are sectors where we are particularly strong and where our share of investment is increasing. I've used on couple of occasions the term "comparative advantage". Our approach to State economic development is not the desperate approach of a South Australian, Tasmanian, even Victorian government, of offering huge financial inducements to a potential new investor. We didn't have to do that with Fox; we didn't

do it with American Express. South Australia wanted to seek Westpac processing jobs and offered a subsidy equivalent to \$30,000 per job. We weren't in the business of competing with them. If we'd taken \$30 million out of the State budget to bid for those jobs we would have been in effect taxing existing corporate citizens to seek a footloose industry. And we believe that's counter productive.

Our whole approach to State economic development is to marshal the comparative advantages the city can boast and to offer only minor re-location assistance. It is what we have done in all the cases where we've been successful. It is the approach we will continue to take. That means from time to time there will be an overseas investor who will say I'm offered more by the government of Victoria or the government of Tasmania, or the government of South Australia or Queensland. However, when I studied the approach taken by the truly successful states in the USA and Canada, most were adapting a similar approach rather than offering ever bigger inducements. Sydney's real estate is cheaper than any other major city in the region. The cost of skilled labour in finance or engineering sectors in New South Wales is very competitive. The language skills, the cultural diversity I mentioned before and the level of investment in finance, information technology and other strategic areas is already here. These are strong comparative advantages.

What is the other thing that government can do in order to clinch these advantages? By reforming government undertakings in New South Wales we are offering competitive utility prices for gas, water, electricity, rail freight, port charges and other business inputs. I want to be able to boast to a potential investor in the Premier's Office that over the next four years the price of electricity in New South Wales will come down for business by between 25 and 28 per cent. I want to be able to say that beyond the next four years it will continue to come down because of the competitive structure we've got in place for electricity. I want to be able to tell them the cost of water – if they are a brewery or part of a chemical industry – will be coming down by 25 per cent over the next four years because of the reforms we've persisted with in the water supply industry.

I want to be able to tell them that rail freight will become competitive and that it is possible for wheat farmers or the coal industry to run private sector trains on New South Wales tracks because we've separated the ownership and management of the rail network from the running of state trains. We were the first state to do it. The Rail Access Corporation owns and runs the tracks and can enter arrangements with wheat farmers or the coal industry to privately run trains. The biggest contribution that any government in the federal system can make to the pursuit of investment and the generation of jobs, is to see that business inputs are cheaper than those of our competitors. And when I say

competitors, I don't simply mean the other states, I mean New Zealand and the East Asian region.

The great thing about the COAG process, unleashed in the late 1990s, is that all the states will attend the reform program because they know that it will lower business inputs. Even Queensland which with the change of government, at first pulled out of the national power grid, now acknowledges that they've got to be part of the national electricity market. As a Labor premier I find myself arguing to union delegations and telling a Labor party conference, that the most effective thing we can do to generate new jobs for our economy is to open up a generation of electricity bills to competition, and the rail system to competition, to contract out where we can achieve economic advantages and by so doing generate new jobs. Our electricity reforms for example are estimated to generate a potential of 30,000 additional jobs over the next few years. I know of one large enterprise that signed a contract with one of the electricity companies we've established that will enable it to realise savings of \$600,000 – a major reduction in operating costs that will significantly increase the company's competitiveness.

We're promoting an outward looking and competitive city, with the associated regions that make up New South Wales, saying to the world that New South Wales is 34 per cent of Australia's economy. It's similar in size to Hong Kong, Indonesia and Thailand. We've got a consistently high rate of economic growth compared with other advanced economies. We've won the battle with inflation and we've got our constant economic selling point – that highly-trained, well-educated, multi-lingual, culturally diverse, workforce – a great selling point in a global economy.

Having been introduced this evening by Judith Wheeldon, Headmistress of Abbotsleigh, it's impossible not to talk of education or to make reference to the excellent education I received at Matraville High School more than a quarter of a century ago. I heard the debate between Bill Clinton and Bob Dole the other day, and it was a level of debate I've got to say is very often matched by Randwick Council aldermen in the local political arena. I was struck by Bill Clinton saying that by the year 2000 all schools in the United States will be connected to the Internet. Well, by the end of this school term all schools in New South Wales will be connected to the Internet. That's important because I want to see that every State school in this state, no matter what the income level of the parents whose children attend it, will have access to that new world of information and that kids from New South Wales schools will be able to talk to kids in schools in Tokyo using computer technology. We've reduced the ratio of students to computers from twenty to one when we came to office to eight to one now. I often quote Abraham Lincoln who, when told about the impact of the telegraph, and told by an enthusiast, "Mr President this will allow

Maryland to speak to Maine”, he said, “But does Maryland have anything to say to Maine?”

To move from talking about computer technology to talking about the essence, the basics, of education, I’m very pleased that we are putting additional literacy teachers into the schools. I received a letter from one principal recently who said that because of the additional literacy teacher the school now had, working one on one with kids who’ve got a learning problems, the school could say that every child would end primary education able to read and write. Up till now we’ve been sending kids into schools with blockages in their education. We haven’t been able to say that every child getting into high school has been able to read. You’ve only got to talk to the youth workers in the front line to know that the problems with the kids in the street, kids in crime, kids trapped in the cycle of homelessness is a problem with self-esteem. The next step back is that they’ve got low self esteem because they haven’t got literacy skills. And that’s the great challenge here. By 1999 we will have 1,200 teachers dedicated to literacy in the primary school. Those kids will be moving at the end of primary school with a rock solid guarantee of reading abilities. So we need more than computer technology. We need children with the capacity to master information having access to that technology.

The third point I want to emphasise about education relevant to these themes about our economic future and our competitiveness in a very tough global climate, is community languages. We do have a great resource having so many students in our school system from families that speak Spanish, Mandarin, Arabic or any other community languages. We are steadily increasing the number of community language teachers so that in primary schools, kids from those language backgrounds have got an opportunity to pursue the study of those languages and pursue them as they move into the High School system.

Six new languages have been added this year, bringing the total number of languages to 22. They are: Assyrian, Farsi (Persian), Gamilaroi (an Aboriginal language), Hindi, Russian, Serbian and Tagalog.

So we are taking action in computers, literacy and community languages. One final observation. It’s time to encourage the movement away from methodology in curriculum to content in curriculum. This is an encapsulation of a sophisticated debate and there are people here who know more about it than I, not least Judith Wheeldon. But one reason the Education Minister and the Board of Studies had for drafting the new syllabus was that there was too much emphasis on approaches to learning rather than a substance to learning. Too much emphasis on methodology instead of content. As we take into account the review of the HSC, or Year 12, that was presented to us some months ago, we will continue to take the approach that it’s time to pull

the pendulum back toward the focus on content rather than a focus on approaches to learning or methodology.

Let me now come to the challenge of the Olympics. The Olympics won't solve our economic problems. Nick Greiner and I are as one in warning that the Olympics will not be an economic bonanza. But the Olympics will be an economic advantage. They will work for us because we've got other factors working for us. The reforms in rail, water, electricity and ports mean the economics of the Olympics will work for us. The Olympics will work for us because we've already got regional headquarters coming here. The Olympics will work for us in tourism terms because Sydney has already locked up the ten top tourist attractions bringing visitors to Australia. Two thirds of visitors to Australia nominate Sydney and that percentage is growing. So the Olympics is very much the icing on the cake.

They will work for us because we've been smart enough as citizens of New South Wales and with successive governments in the last 20 years to get other factors to work for us. Now this can be seen when we come to the finance of the Olympics. There is a community concern that we are going to pay for the Olympics by going into debt. That is not the case. We're paying for the Olympics by 1.4 per cent of government spending over the next four years. There will be no debt blow out at the end of those four years. We shall pay for the Olympics as we go. That means in this year's budget an allocation of \$440 million. Over the next four budgets 1.4 per cent of government spending will be devoted to the Olympics. The remarkable thing is that we're doing this while we actually reduce debt as a proportion of the GDP in New South Wales. Budget sector debt as a proportion of the GDP will come down from around ten per cent where it was in 1995 to around six per cent at the end of this four year period. So as a society we can boast that over this period paying for the Olympics as we go we wind back debt. We shall reduce debt as a proportion of the GDP. I cannot claim that we as a government that's been in power for 18 months can take all the credit for this. It reflects credit on the government that preceded us with Greiner's focus on reducing debt; it reflects credit on the Wran Government that went before that keeping the state's AAA rating; it reflects credit on the society of New South Wales that we can shoulder the Olympics as we move over the next four years.

We are also tackling a great burden to the State Budget – unfunded superannuation liabilities. If Victoria accounted for its unfunded superannuation liabilities as we do, its Budget would be one billion dollars worse off. We are making terrific progress in shifting the state's financing of our superannuation liabilities and paying as we go. There is no political credit in it; no one gives you a tick for doing it, but again it reflects the strength of a government that can shoulder the

burden of the Olympics, reduce State debt and continue progress in fixing up this problem as we move over the next four years.

The fiscal position that we've arrived at in 1995-96 will actually incorporate the Olympics and actually reduce debt. The real advantage of the Olympics is this: that we give ourselves a range of entertainment and sporting facilities, a great income earning value to this city in terms of tourism and especially the culture and sports based tourism. We get those facilities in the space of the next four years when we might otherwise have had to have waited 20 or 30 years forward. And that's the real advantage of the Olympics.

Another advantage for us is that for a society which is trying to present itself to the world and secure investment and secure attention of boardrooms in New York and Tokyo, the Olympics are a platform. They do enable us to say to the world, in ways that we couldn't do without the Olympics, "Look at us, we might be one city in a regional power, one of 190 nation states in the world but we can present a certain appeal to the rest of the world. We are a friendly, funny, tolerant, prosperous place that has made good decisions about its basic fiscal and economic alignment and we can approach the next century with confidence. You will see us on billions of TVs with the Olympic broadcasts – the yachting in Sydney Harbour, the Opening Ceremony or the marathon run at the Sydney Harbour Bridge in September 2000 – but think of the society that stands behind this great event and the strengths that have enabled it to present to the world the Olympics without crippling ourselves financially and without compromising our society in any way."

Now what a great way to promote this part of the world to the world. What a great way to promote Sydney. This huge event working for us because the other things are working for us and making our message a working force. And making our message all the better and all the more optimistic to sell on that great occasion.