

ANNUAL JIM CAIRNS MEMORIAL
LECTURE

*The Role of Government –
A Labor View for 2005*

Delivered by

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Introduction

It is my great pleasure to be here to honour with you the memory of Jim Ford Cairns, Member for Yarra and one of my predecessors as Member for Lalor.

Jim Cairns had the courage to dream of a better world. He believed in what he called “long term valuative change”. From the perspective of 2005, when so much that should be at the moral core of Australia’s public life has been corroded, his view that those in public life should inspire us to be better people and aspire to make this nation a better place, seems almost quaint.

During a tribute on the ABC following the death of Jim Cairns, his former leader and adversary, Gough Whitlam said about his former deputy leader:

“Jim Cairns brought a nobility to the Labor cause which has never been surpassed.”

It was a generous tribute.

Views sharply vary within and beyond the Labor Party as to the value of Jim’s contribution. We did not share all of his dreams and many doubted the quality of his attempts to implement change.

But with a mix of strengths and flaws, he played a role in changing the history of this nation.

As Barry Jones – my predecessor and Jim Cairns successor in the seat of Lalor – noted in his maiden speech to the House of Representatives in 1978:

[Jim] served as a crusader for great causes – against the Vietnam war and for a more loving, compassionate and cooperative society. His career, which seems to many to be ultimately a failure, illustrates the difficulty in trying to reconcile the pursuit of love and the pursuit of power – a dilemma which faces or ought to face us all. If we devote ourselves to the pursuit of power we ultimately destroy ourselves...on the other hand, if we pursue love we may opt out of the struggle for power. In this way we abandon the struggle to those who are willing to use the bludgeon or the boot without compassion.”

Being Prepared to Dream

When discussing the Cairns legacy, it is traditional to focus on the role he played leading the Vietnam Moratorium Movement.

However, tonight I intend to focus on another aspect of Jim’s legacy. Contemporary politics is all too often about appealing to the baser instincts, not crusades for good. One fears that we have lost the capacity for leaders to engender optimism and hope in times of great social upheaval and change.

But Jim understood that people are more than economic units, that society is more than an economy, that it is natural for all of us to yearn for something beyond more money and more possessions.

Jim Cairns’ life was about hope and yearning for more. He offered a vision of an Australia in which Australians were free to express their objections, question the status quo and articulate an alternative based on compassion and tolerance.

He understood people had both spiritual and practical needs. He had an unfailing belief in caring for the disadvantaged. He was a committed local member who would go to extraordinary lengths to help those in need.

When holding a senior ministerial position, Jim Cairns had a strong belief in the importance of putting people first. Of course, his strong humanistic stance was often criticised, particularly during his time as Treasurer. But his conduct then and his later writings show a man not content with an orthodoxy which failed people.

Cairns suggested that if money is the main focus, and if this is what advancement and quality of life is measured against, we are at risk of not just leaving many people behind, but of also losing our own hard won quality of life. He rejected money alone as the absolute measure of a “good society” but believed strongly in fairly meeting everyone’s need for a basic standard of living.

Jim’s deep understanding that a life well lived is a life about more than money, resonates strongly today.

We have enjoyed high levels of economic growth and record levels of employment. Coupled with this is the “wealth effect” phenomenon which has seen household wealth soar, and consumption financed with borrowings also soar. A large contributor to this effect has been the rise in house prices, and much of the consumption has also been property related. We have borrowed to finance that extension, extra bathroom or new garage to house that new imported car.

But interestingly, numerous surveys have confirmed that none of this buys us happiness. In recent times Ross Gittins has reminded us of some of the work done to measure happiness – or “subjective wellbeing”. Both economic and psychology based research all paint the same picture. Our wellbeing is attained more from outside the market than it is from within it.

During an interview with his biographer on the ABC in September of 2002, Jim Cairns was asked what he thought was the measure of a good society:

“It’s the quality of human relations. What are the relationships in a factory, a supermarket or street. That’s what we have to look at, and that is what we must hope to make more conscious...”

Indeed, we are becoming an increasingly fragmented, individualised and time poor society, lacking the social structures and networks required to meet our daily needs and the needs which arise in times of crisis. We have seen growth in incomes, but most of us have little time to enjoy it with our family and friends.

It’s not just commodity fetishism that has failed us. Of course, Jim Cairns is associated in the public mind with the counter culture, with the gender and social revolution of the 1960s and 1970s. While there can and should be no turning back on the gender revolution and much remains to be done to achieve genuine equality between women and men, there is a legitimate and deep concern that the era of free love has now left us with the era of sex sells.

The commodification of sex and beauty makes its own contribution to a sense of dislocation and unease in our community.

As well as understanding that happiness and a sense of self is beyond the capacity of markets to provide, Jim Cairns also understood that markets can fail even in relation to the things they are supposed to provide.

As Cairns said in 2003:

“...in previous generations they did leave things to the market, but now they are saying it, and they’re saying what kind of market it is, it’s a moral ballistic market. This free market, whose values have got to prevail, is not a competitive one. It’s not one in which power is distributed amongst people.”

There is little doubt that some markets have delivered real benefits for consumers – cheaper prices, more choice. But in other markets, consolidation has seen communities deprived of basic services. The consumer has been left with no choice and even less information as markets become increasingly dominated by one or two players who are well resourced financially, politically and legally.

Reconciling the need to lead politically on matters of the heart and spirit, as well as matters of the purse and wallet, is no easy task. Ultimately, Jim Cairns may well be judged as having failed in that task. But he understood the need to try.

Big Government & the Politics of Appeasement

The Howard Government does not understand the need to try.

Whenever Prime Minister Howard decides to exit politics, he will not be remembered for inspiring Australians or aspiring for a better Australia.

He has not sought to have us dream. He has instead sought to draw the maximum political profit from pretending to save us from our nightmares.

And he has not allowed others the political space to dream. Indeed, he enjoys presenting the very articulation of a vision as elitist and self indulgent. In probably one of the most insidious political styles Australia has ever confronted, our society has been re-drawn by a conservative agenda strong armed by John Howard through his own party room, rather than through open, public debate. At the same time as trying to build a culture that closes down debate, the Prime Minister has actively muzzled dissenters, in his own party room and in the media.

The Prime Minister is often described in the Australia media as a conviction politician. Certainly, with the gaining of absolute power through securing the Senate, the Prime Minister is focussed on driving through his extreme ideology on industrial relations and

voluntary student unionism. Australia does not need these policies for its wellbeing but the Prime Minister wants them to satisfy his ego.

But interestingly, there is one political conviction that the Prime Minister has certainly abandoned and that is his belief in small government.

Across the sweep of the 20th century, one of the principal divides between progressives and conservatives, between Labor and the Liberals, was our perspective on the size of government. Labor, like left wing parties around the world, was associated with a belief in big government, larger welfare states.

The Liberals, like conservatives around the world, were associated with individualism, always suspicious and critical of big government, always advocating reducing its role and most certainly its tax take and expenditure.

John Howard was supposedly for much of the 1970s and 1980s animated by his belief in small government. Indeed, many would see that as one of the most firmly established parts of his political identity, along with his drive for labour market deregulation and anti-union legislation. But something very strange has happened to "small government John". Indeed, something very strange has happened to the conservative philosophy of small government all together.

Now, "formerly small government John", runs a very big government, a government bigger than the Whitlam government. The Howard Government, notwithstanding the Budget's tax cuts, loves to tax and it loves to spend. The statistics paint a very clear story. In 1995-96 the Commonwealth Government's tax take as a percentage of GDP was 23.1 per cent. By 2003-04, it had ballooned to 25.7 per cent.

At the same time, the reach of the Commonwealth Government grows. Can any one imagine the John Howard of the 1970s and 1980s arguing that the national government should be running technical schools or even that the national government should concern

itself with the dredging of local creeks and paying for flower arranging classes?

The Prime Minister's answer to any political problem is 'send them a cheque'. This is the man who opposes Medicare but who lavished on it an enormous visionless spend before the election for political appeasement. This is the man who has made an art form out of sending politically well-timed lump sums. Under the Howard Government, if there is a political constituency to be appeased you can be sure that the cheque is in the mail.

The Prime Minister's love of spending and the politics of appeasement have been caught by his acolytes like the Minister for Health, Tony Abbott.

In a recent speech to the CIS Consilium, Minister Abbott indicated he does not believe in health reform and has no problems if our expenditure on health expands from around 9% of GDP to 15% of GDP.

In today's dollars that means Minister Abbott won't care if health expenditure grows by \$51 billion, a budget hole that would require an additional \$4,783 from each tax payer to fill.

Minister Abbott's solution to the complex problems of the effects of ageing, innovative pharmaceuticals, new technology and rising expectations is to advocate big "tax and spend" government. If a Labor Member of Parliament had made this speech the conservative elements of the Australian media would have derided him or her as an unreconstructed socialist.

Rather than openly debate the need for reform in health, this Minister has actually campaigned on a "no reform" ticket – which is great if you were a doctor or specialist or shareholder in a publicly listed health company – but not so great if you need ongoing care for a chronic illness or care for someone who has such an illness.

This is the politics of appeasement at its best, because it shuts down debate, protects vested interests from scrutiny and exposes anyone who dares question the status quo.

Beyond the big versus small government debate

Labor now needs to define the role of government in a context where our political opponents have packed in arguing for small government.

At the risk of being accused of channelling Anthony Giddens and unfashionably invoking 'the third way', Labor must argue a role of government beyond the old big government versus small government divide.

Government can and should be animated by a vision, not of the day when the cheque in the mail gets cashed, but a vision of the long term. In defining a Labor role for government, we must be unashamedly arguing for the policies that will make a difference and build a better Australia in twenty, thirty and forty years.

Take my area of health. The true challenge is re-engineering our health system so it is focussed on wellness, health promotion and prevention.

Australia should be breeding the healthiest generation of children we have ever seen because so much has been done to defeat infectious disease and to drive down infant mortality. But in what has been referred to as 'modernity's paradox', Australian children are instead experiencing rising rates of low birthweight, neurodevelopmental disorders, asthma, type 1 diabetes, type 2 diabetes, inflammatory bowel disease, autism, mental illness, child abuse and neglect, adolescent suicide, obesity, eating disorders, learning disabilities, behavioural disorders, aggressive behaviours and violence.

Without a drive for change, this generation of Australian children and the generations to follow will live with an enormous burden of chronic disease, much of it preventable.

A Labor vision of government needs to be of an active and interventionist government but one that is active and interventionist on those issues that will make a long term difference. We should not be today's managers and appeasers. We should be the builders of a better tomorrow.

In health, we should be the builders of a healthy society by changing behaviours in a way which will reduce preventable diseases.

The Howard Government's "cheque in the mail" political culture builds cynicism in politics and low expectations in the community. If all one can ever expect from government is the next bribe, then you will press for the next bribe and nothing more. Labor's strategy of building for the future should be consciously pitched as raising expectations of government. It is important for those of us who believe in progressive change to reinforce a culture that says government does matter, government can make a difference.

Beyond the bickering between the Commonwealth & States

One area where Labor can lift expectations is the relationship between the Commonwealth and the States.

In this area, the Howard Government has failed its own conservative ideology. In pursuit of short term electoral advantage and as part of its mission to exploit old adversaries, this Government has rejected the role of the States. Part of this agenda allows Ministers to deflect their own weaknesses to the other jurisdiction, and there are plenty examples of this in the Health, Education and the Treasury portfolios. In doing this, the Howard Government fuels old feuds and the public's ever - lowering expectations of the abilities of the States and the Commonwealth to achieve solutions to their day to day problems.

Cynically, this serves a purpose for the Howard Government. They are able to deflect and bully when convenient and engage when required. There is no focus on how this political power play effects the very people this Government is meant to serve. A classic

example is this Government's use of health to defuse electoral pressures. As I noted earlier, prior to the last election, billions of dollars was spent to placate the electorate in what is one of the most electorally sensitive areas. These billions were spent in areas which have effectively fuelled health inflation – running at double the annual CPI - and have created a situation where the greater your income, the greater your benefit.

All the data shows that the biggest winners of this spending avalanche are high income earners, specialists and publicly listed health service companies. In the meantime, access to basic services and supply issues go unattended. But again, this suits the politics of the Howard Government. Strong lobbies are kept in check, while basic needs get left by the wayside.

It is abundantly clear that Federal Labor can do more to engage positively in this area and to lift expectations.

One way in which this can be achieved is by turning the focus on what we give up when we allow debate to be harnessed by cynical opportunism.

What if every time the Commonwealth and States met or spoke on the phone, at the official or ministerial level, and no progress was made, we highlighted what had not been achieved, rather than who was to blame?

What if, every time there was a COAG walk out, or a standoff, Labor spoke about what the public was actually going to miss out on?

There is no doubt that Federal Labor is well placed to harness Labor State Governments to set a positive agenda. But we need to ensure that this positive agenda is tightly focused on raising expectations and not the arguments of old, that is, roles or responsibilities. And the only way this can be done is by focusing on what can be achieved, rather than who does what and who will share in the spoils.

It is only by focusing on the solutions – rather than the problems – that we can get Australians believing that there can be an end to fragmentation and blame shifting.

I believe the Victorian Premier's *Governments working together: a third wave of national reform* document provides the right sort of framework for beginning this engagement.

There are two elements to this document which are important for Federal Labor.

The first is that it focuses on what *could* be achieved if the States and the Commonwealth focused on outcomes rather than the responsibilities and processes.

This notion might sound inconsequential and abstract, but if I use the example of hospitals, I think the notion is a very powerful one. At the moment, the current debate about hospitals is about roles and financing: who pays for what, who has the incentive to provide a quality service; what costs can be shifted when these incentives and funding are not properly aligned.

But what if we asked: what do we need to do to provide much better support for families, for communities, to improve the health of Australians? It sounds like a tangential question, but what it does is focus the debate on what can be achieved – the “outcomes” – and in particular, those “outcomes” that are actually focused on the real needs of people.

The second element of the report which is salient is its focus on the importance of people to Australia's future growth and prosperity. It provides evidence to show that by investing in the health and education of our people we can actually achieve greater participation and better productivity. This is a stark contrast to the Howard Government which tells us that we must attack people basic rights at home and at work to achieve the productivity gains required to keep us competitive.

The report recognises what many mainstream economists do not – that good health provides the foundation on which a high participation economy is built. It is not an

optional extra for an economic reform agenda; it is fundamental to it. The reality is that the vast bulk of those not participating in the workforce are in poor health. The reality is that, as a society, we suffer from many chronic health conditions that impose a huge toll on both people and the economy, and are preventable. The fact is that spending on health care represents around one-tenth of our national economy. And yet there are some who seek to exclude it from any economic debate. That must change.

Some people have lamented that Premier Brack's report does not fight the old ideological wars, or go straight into the usual political arguments about blame shifting, and roles and responsibilities. The Premier's report offers not only an alternative in terms of substance, but also in terms of style. Rather than stepping straight into an argument about roles and responsibilities – an approach that many seem instinctively drawn to, but which has repeatedly failed – we need to step above it all and go back to basics – what it is we are arguing about.

It is unashamedly not arguing for preserving the status quo or for protecting special interests. It is not a document for those who believe that the nation is best served by a defensive Labor Party. It is a report for those who believe that it is always Labor's task to offer an alternative vision that works for Australians and works for the Australian nation.

It is a document fundamentally about the politics of the long term, about a vision of a better future through active, not appeasing government.

Conclusion

May I conclude with the following observation. One of my favourite cartoons is entitled 'The Moderates are Rallying'. In the cartoon the rallying moderates are marching down the street, bearing placards and chanting:

'What do we want? Gradual change. When do we want it? In due course.'

Jim Cairns rightly wanted more, as should we.

When Paul Strangio, Jim Cairns' biographer, farewelled him in the Age on 13 October 2003, he referred to Cairns as a "*conscience of the nation*".

One cannot imagine any member of the Howard Government having that said about them at the time of their passing.

We can admire Cairns for having a conscience. We can admire him for his advocacy of long term valuative change.

And we can emulate both. If we are to pursue interests above those of the short term politics, we need to dispose of the methods of the Howard Government and the big government politics of short term appeasement. This involves challenging the current political context in which this appeasement happens so that the standards, values and vision so rapidly eroded by this Government are re-built.

That is why it is important to remind ourselves of Jim Cairns' legacy at this juncture of our political cycle.

We need to be able to dream.

We need to be able to dream about more than being appeased tomorrow.

We need to be able to dream about being a better nation and a better people.

We need to be able to turn that dream into a vision of what we will achieve in government.

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