

## RESEARCH REPORT 50: INAUGURAL BILL HAYDEN ORATION

### The Hon Dr David Hamill AM<sup>1</sup>

It is indeed an honour to present this, the inaugural Bill Hayden Oration and to recognise the significant role Bill has played in the public affairs of our nation in a career that spanned 27 years in the House of Representatives and then seven years as Governor-General of Australia.

This remarkable career took him from humble beginnings in a then, very working class Highgate Hill to work in the Queensland State Stores before joining the Queensland Police Force, as it was then known.

It was as a police officer that Bill came to Ipswich, married the love of his life, Dallas and offered himself as the Labor candidate for Oxley, a seat held comfortably by Dr Donald Cameron, the Health Minister in the Menzies Government.

A combination of a strong national swing to Labor and a tireless grassroots campaign delivered the massive 11% swing that catapulted the young police constable to Canberra.

The young Bill Hayden was something of an angry young man. He knew from first-hand experience the struggle of many working class families in post-depression Australia. He had seen the hardships faced by sole parents and was all too aware of the destructive impact of domestic violence.

Bill Hayden went to Canberra with a commitment to economic and social reform and a desire to eradicate inequality from Australian society.

He also possessed a thirst for knowledge.

As a young MP, he completed an economics degree as an external student and he embraced an academic rigour in the development and advocacy of policies in education, health and welfare to address poverty and inequality of opportunity.

---

<sup>1</sup> Dr David Hamill AM is a former Queensland ALP politician, who served in a number of positions including Minister for Transport and Minister Assisting the Premier on Economic and Trade Development, Minister for Education and Treasurer. He was elected to the Queensland Parliament as member for Ipswich in 1983 and held the seat until 2001. He was awarded a Centenary Medal in 2001 and in 2009 he made a Member of the General Division of the Order of Australia award. He is also a Research Associate with the TJRyan Foundation.

Dr Hamill's oration was presented at the Ipswich Club, Gray Street Ipswich, 13 August 2016. The Hon Bill Hayden AC was the Federal Member for the seat of Oxley based in the city of Ipswich from 1961 to 1988. He was the formative figure in rebuilding Labor from Opposition between 1977 and 1983. To honour Mr Hayden's contribution to the Labor Party and to Ipswich, Jennifer Howard MP has established an annual event – The Hayden Oration – which will feature a senior Labor guest speaker to deliver a significant lecture, or oration.

With the election of the Whitlam Government in 1972, Bill became Minister for Social Security and set about implementing significant reform of the nation's social security safety net.

Among his initiatives were the introduction of the Supporting Mothers' Allowance, now a component of the Parenting Payment and of course, Labor's flagship policy on national health insurance which was implemented as Medibank in 1975.

These reforms did not receive a bi-partisan embrace. They were resisted tooth and nail by the Liberal and National Parties and in the case of Medibank, also by significant parts of the medical profession.

However, Bill Hayden persisted and held to his belief that governments could implement redistributive policies to overcome relative social disadvantage and in those battles with groups such as the Australian Medical Association, he always came armed with the facts and figures to support his case.

In Opposition and then in Government, Bill repeatedly demonstrated his belief in rational debate and analysis and he sought out advisors from industry, the welfare sector and the universities to assist in developing and critiquing his policies.

Bill Hayden became Treasurer in 1975 with the daunting task of rebuilding the economic credibility of the government however the constitutional crisis of 1975, and Labor's subsequent defeat at the polls abruptly ended his stint in that critical portfolio.

Two years later, following another defeat in which Labor's primary vote dropped below 40% - then the lowest primary vote recorded for Labor in a federal election since the second world war – Bill Hayden became Leader of the Opposition and set about rebuilding the party. Under his leadership, Labor was competitive in the 1980 election and he successfully laid the groundwork for victory in 1983.

I believe history tells us much about our present and it can give us a hint of what may lie ahead.

That's why I wanted to look at Bill's career and see which of his experiences resonate with us today.

I want to discuss the implications for the party from the continued decline of Labor's trade union base and the weakening of party allegiances in general.

I will also look at the cult of celebrity, the rise of the eponymous parties and I will offer some suggestions as to how Labor should respond to these challenges and be relevant in a rapidly changing Australia.

In 1966, 1977 and in 2013, Labor suffered heavy electoral defeats.

The subsequent elections of 1969, 1980 and 2016 were "coming back" elections in which Labor would come within a whisker of winning government.

It is worth considering what those periods have in common and what, if any new challenges face the party as it commences a further term in Opposition in the National Parliament.

At the 1969 election, Labor and the Coalition shared the votes of 90% of the Australian electorate much as they had done in every election since the Labor split of the mid-1950's which had given birth to the DLP.

A decade later, the DLP had effectively disappeared and a new centrist third party, the Australian Democrats was drawing votes away from both major parties. The effect of this new third force can be seen more clearly in the pattern of voting for the Senate where the share of the vote garnered by Labor and the Coalition fell to 85%.

The trend has continued.

The Democrats gave way to the Greens and the share of the vote enjoyed by the major parties has continued to fall, slumping to just over 75% at this year's House of Representatives election. In the accompanying double dissolution election for the Senate, the major parties could only muster two-thirds of the vote between them.

But that is only part of the story.

Australia is experiencing a period of significant economic, social and demographic change.

It is not only about who we are and where we live, but our social structures, the types of employment and the structure of work and how we communicate with one another that are reshaping our social and political life.

Although the pace of change is accelerating, change has been a constant throughout our history and if we were able to go back to the Australia of the 1890's, we would witness a decade marked by social and economic turmoil.

It was against that backdrop of industrial conflict and economic depression, that the Australian Labor Party was established and nurtured by a trade union movement, largely "blue collar" craft and industrial unions that wanted a voice in the colonial legislatures of the day.

Many of those unions would affiliate with the Labor Party and over a century later, their successors continue that tradition.

Although the pattern of trade unionism in Australia has changed dramatically over the last century and particularly over the last thirty years, those changes has not been reflected in the party's structures.

Most significantly, the growth in white collar unionism has not been reflected in white collar unions affiliating with the Labor Party.

Although their fortunes have waxed and waned, unions were an integral part of the twentieth century Australian workplace.

In the 1980s, 50% of Australian workers were members of a union. Today the figure is around 15%.

In the private sector, where the vast majority of jobs are to be found, trade union membership now sits at just 10% of the workforce; whereas trade union membership in the public sector sits at just under 40%.

Numerous factors are contributing to this decline including the relative decline of the manufacturing sector, and technological changes which have transformed work in the banking, finance and clerical sectors.

We are not alone. The Australian experience has mirrored that of other developed economies.

With this decline in unionism, you could be excused for thinking that we are facing an employment crisis.

However, that is not the case.

In recent years, structural change has seen thousands of jobs disappear from manufacturing, agriculture, forestry and fishing as well as from the information, media and telecommunications sectors. However these job losses have been more than offset by the creation of more than a million new jobs in other, and often higher paying industries.

We have seen the evolution of Australia into a highly skilled, knowledge-based economy, in which the professional services and health care sectors now employ more people than manufacturing.

We have a dynamic labour market in which around a million Australian workers change jobs and a quarter of a million businesses enter and exit the market each year.

New technologies are not only changing the goods and services that we produce, but also changing how we produce, distribute and consume them.

In this environment, trade unions are finding it very challenging to garner members with increasing numbers of workers either self-employed, working from home or in small-scale enterprises and, or employed on a casual or part-time basis.

With declining membership in the private sector, our affiliated unions are becoming increasingly public sector focussed as their membership become less and less representative of working Australians as a whole.

This represents a significant challenge for the party and how it is viewed in the community.

Although members of trade unions are more likely to support Labor, there are significant numbers of trade unionists, even amongst those unions that are affiliated to the Labor Party, who support Labor's political opponents.

This is not a new phenomenon; however, we are now seeing unions, including some of our affiliated unions, actively supporting other political parties and candidates in opposition to Labor.

Frankly, I was astounded to learn that unions donated almost \$600,000 to the Greens in 2013-14 and that the two largest donor unions were the CFMEU and the ETU. I was further astonished to learn that the CFMEU's generosity also extended to former Bjelke-Petersen era National Party Minister, Bob Katter who received \$125,000 from the union in 2013-14.

Whilst those making these donations might seek to justify their actions as smart politics or taking out some political insurance, I doubt that argument would go down well at the Party's Disputes Tribunal when hearing a charge of disloyalty against a branch member who actively supported a candidate running against the endorsed Labor candidate.

It will be interesting to see who donated to whom when the Australian Electoral Commission publishes its returns for this year.

All of these trends are increasingly problematic for a Labor Party that seeks to be a party of government.

To achieve that goal, the party must have a platform that is supported by a much broader constituency than the public sector and our traditional blue collar union base.

It must speak to and must speak for those in both the public and private sectors and the new generations employed across the service sector, including those who are self-

employed or contracting in what would once have been jobs in large private and public sector enterprises.

If it is to have electoral success in the future, the Party cannot afford to alienate those who share our fundamental values and who also aspire to a fairer society.

As Opposition Leader in the 1960s, Gough Whitlam saw the threat from Labor's shrinking blue collar constituency. As Bill Hayden wrote in his autobiography:

Labor's problem was one of long-term attrition... Whitlam actively courted the new middle class- paradoxically many the products of Menzies' major initiatives in higher education – by stressing that advancement in society should be merit-based, and this was coupled with material commitment to the less well off.

In addition, Whitlam fought to reform the internal decision making structures of the party by ensuring the parliamentary leadership was represented at the National Executive and the National Conference and he achieved organisational reforms to democratise the Victorian and New South Wales branches of the party.

As leader, Bill Hayden also pushed for party reform. He established the National Committee of Inquiry after the 1977 election defeat, pursued organisational reforms in Queensland and Tasmania and started the process which saw branch members directly elect delegates to the Federal Conference.

The common theme was internal democracy and the opening up of the party's decision making processes to the broad range of views within the party.

However, with the proportion of the population joining party branches in decline, the membership of our trade union affiliates representing an ever declining proportion of the workforce and with trade union affiliates backing rival parties and candidates, our proud one hundred and twenty-five-year-old party urgently needs to rethink what it means to be a party member or an affiliate and overhaul the way we work and organise ourselves.

We need to act locally.

It is time we engaged with our broad support base in the community.

In recent years, we have seen both the parliamentary wing and the party membership vote to determine the leadership of the parliamentary party.

Why don't we extend that principle by having community plebiscites to choose our candidates in order to achieve a wider acceptance and endorsement of Labor's candidates among our membership and supporters?

Fewer Australians are "joiners" of organisations, but increasing numbers, particularly of younger Australians prefer to share their time and involvement across a variety of organisations and causes rather than have a long-term, continuous membership of any particular organisation.

In such an environment, there is a very real danger that Labor is left behind clinging to structures that no longer resonate with the electorate.

If the party is to flourish, we need to offer a wider range of opportunities for those who share our values to engage with us and strengthen that association particularly in this time when party allegiances in general are weakening.

Community plebiscites in which the local party membership and registered Labor supporters come together to select those who will seek to represent them provide a real opportunity for meaningful engagement.

Economic and social change has swept away the certainties of the insular Australia of the 1950s and 1960s. The world has changed and we enjoy a much higher standard of living than that of our parents and grandparents.

Our economy is no longer based on what we grow and what we mine.

Ours is a much wealthier, better educated, more diverse nation.

Having said all that, why is it that our traditional political allegiances are waning and that an increasing number of Australians are choosing to support candidates from minor parties and independents?

There are many factors at play.

Australian society has seen a significant policy convergence on the part of the major political parties. We have seen it in foreign policy, and we have seen it in economic policy in the bi-partisan support for an open, competitive, market economy.

While there are debates about policy details and priorities such as the level of public sector support for public health and welfare services, much of the discourse is framed within a bi-partisan commitment to a mixed economy and a shared belief that governments can play a role in providing or facilitating programs and services to address economic and social issues.

Maybe it is because many of the issues facing our society are complex and not susceptible to a quick fix within a three or four-year electoral cycle that we hear disillusionment with the major parties expressed in terms such as “they are all the same”, “they don’t stand for anything anymore” or “they are only in it for themselves”.

We live in an increasingly mobile society where the influence of the traditional agents of socialisation such as the family, school, workplace and religious observance are rivalled by competition from the media – the mass media and with increasing importance, social media.

We are often told that in this information society, we are connected as never before - through our smartphones, computers and social media to friends, acquaintances and other influences

And yet, paradoxically, we are becoming more isolated from one another with less direct human contact in our neighbourhoods and workplaces.

As more people rely on low-cost, un-filtered social media as their source of information and entertainment, increasing numbers are choosing to watch and listen only to those media that reinforce, rather than challenge their views – again further isolating them from the world of ideas.

In response to the challenge posed by social media, the traditional media forms are becoming ever more sensationalist and shrill in their attempt to be noticed.

Even election night reporting has become “infotainment” with opinionated panellists rather than analysts, and of course, the computer graphics and animations that would not be out of place in the trashiest piece of reality TV.

When *Keeping up with the Kardashians*, or *The Biggest Loser* are set on a par with determining the government of the country, or when two of our newly elected Senators can boast that they have not only been to gaol but also have appeared on *Dancing with the Stars*, little wonder parliament is so often derided as some sort of unruly side-show.

We have a public obsession with celebrity.

Where once a hero or a heroine was someone who earned respect and renown for their courage or character, today you can be lauded as a hero simply through self-promoted notoriety, or for being just another vacuous celebrity who uses money, image or egregious behaviour to attract attention.

Every minute of every day we are bombarded in the media and especially through social media with stories about what this celebrity or that celebrity thinks, is doing or what some commentator thinks they are or might be doing. Don't worry about the content, it is the story that matters! Furthermore, it's all supposed to be important.

Of course, politicians engage in these antics to attract attention, although sadly over-blown antics often drown out the message, that is if there really was one.

With the business of government and political debate trivialised, it is little wonder we are seeing increasing disillusionment with the political system in general and the major parties in particular.

In the period from the mid-1970s to the mid-1990's, around 15% of the Australian electorate would choose to vote for a party other than Labor or the Coalition.

These alternative parties, which included the Australian Democrats, the Greens, Family First and other conservative Christian Groupings would espouse policies that reflected their particular ideology or value system.

In addition, there were independent candidates who collectively, accounted for two or three per cent of the national vote but whose electoral support was generally limited to a specific region or locality.

Since the advent of the One Nation Party in the late 1990's, we have seen a political manifestation of the cult of celebrity in the rise of Eponymous Parties which received the votes of one in ten Australians at the July 2016 election.

Look at the list from this year's federal election.

In addition to Pauline Hanson's One Nation, we had Katter's Australia Party, the Nick Xenophon Team, Derryn Hinch's Justice Party, the Palmer United Party and of course, the one-time PUPs that left Clive's litter, the Jacqui Lambie Network and the Glen Lazarus Team.

What these parties have in common is that each is led by a personality or celebrity who is the embodiment of the party and is indistinguishable from it.

With the exception of the Katter Party, I would argue that each of these alternative parties were nothing more than vehicles to maximise the Senate prospects of their leaders by appearing as an above-the-line group on the Senate ballot paper, and to the extent that they had candidates running for the House of Representatives, it was primarily to boost their electoral prospects for the Senate.

These celebrity politicians and their eponymous parties do not attempt any policy rigour. They can and do say anything in the knowledge that there is little likelihood that they will ever be accountable.

They do not seek to offer a comprehensive range of policy positions like the other parties but rather, they merely amplify the selective policy pronouncements and attitudes of their celebrity leader and channel feelings of alienation, frustration and anger with the political establishment from those in the community who feel socially apart or economically left behind.

The American psychologist, Abraham Maslow put forward a five stage model of human motivation. At the most basic level he identified biological and physiological needs - air, food, drink, shelter, warmth, sex, sleep. He argued that when those needs were met, people would focus on their higher order needs such as safety, security, law and order, stability, and freedom from fear.

It was only after those basic survival needs were met that people would seek to address their psychological desires for esteem, belonging, personal growth and fulfilment.

Ours is a wealthy country where the basic survival needs of the vast majority of Australians are met through the availability of paid employment, access to social security and access to education and health services.

Although we have relatively low levels of unemployment, there are plenty of people who feel that they are being left behind and doing it tough in the wake of the mining boom, or in struggling rural industry and small country towns, or through the further decline of manufacturing such as in the motor vehicle industry.

In addition, there are many others who fear for their livelihood or that of their children in the face of technological change. These are the people who, because of their age, their particular skills or their physical location believe they cannot or will not be a part of the Prime Minister's new and innovative economy.

Economic insecurity provides fertile ground for those who peddle the politics of fear.

It is no co-incidence that the eponymous parties have traded heavily in that currency by pushing for protection from those who are perceived to be different, who are either here, or who want to come here, or who want to send their products here.

These concerns and these politics are not unique to Australia. Just look at the campaign to take the UK out of the European Union, the rhetoric of the anti-immigration, ultra-nationalist parties in Europe and of course, the anti-Washington, anti-Mexican, anti-Muslim rants of the Republican Party's nominee for the US Presidency, Donald Trump.

We need to fight celebrity with substance.

We need to state and restate our core beliefs.

We need to tell people what we stand for, what we will do and therefore, what makes us different to the others.

Bill Hayden's motivation was to remove inequality.

He saw equality as "the opportunity of equal chance for each person to develop his natural talents and interests to the best of his ability should he so desire."

It resonates with the traditional Aussie notion of the "fair go".



It is about equal rights, and equality of opportunity.

It is about fairness and justice.

And it is about equitable access to housing, education, health, welfare, and communications – transport and the information technologies which are now fundamental to participation in the economy and to social interaction.

But we are not all the same.

We have individual characteristics, different skills and interests.

We make choices about what we do and where we live.

These choices affect our lifestyle and our access to services and employment now and into the future.

Some of us have many choices, others do not.

Our commitment should be to build a society in which we all have choices and that we support those at risk of being marginalised and excluded to ensure that they can also access the jobs, the education and training opportunities and the health and social services they need.

Fairness, equality of opportunity and equitable access must be our mantra.

It must be the prism through which we view our policies.

It should lie at the core in all that we do and say.

Bill Hayden was not a celebrity politician.

He was not the populist hail-fellow-well-met, full of flattery and charm. Indeed, when recalling the numerous country shows and community gatherings he attended as the newly minted Member for Oxley, he would speak of his experience of “fetes worse than death!”

His was an intellectual approach to politics.

His commitment was to persistence. He believed in presenting rational arguments to explain policies that were thoroughly researched and costed.

Bill is also a realist.

His experiences as a Minister in the Whitlam and Hawke Governments convinced him that a well-managed economy was needed to underpin social advances and that there were limits to the speed and capacity of governments and the public sector in achieving social and economic reform.

Bill put forward four tests for what he called “policy realism”.

The first was to ask the question whether a policy proposal could be legally implemented.

Secondly, he would ask whether its implementation would be administratively feasible?

Thirdly, he would ask if the policy was politically viable?

Finally, he would ask whether it was economically feasible?

I believe that if a policy can pass the threshold test and receive a tick for being fair and equitable, it should then be subjected to these further four tests for policy realism.

One final observation before I close.

What may be considered fair and equitable may not change, but the legal, political, administrative and economic climate will often be volatile.

Whilst we must maintain our fundamental values, we must constantly review our policies and priorities to ensure they are relevant and fit for purpose.

Times change and we need to move with the times.

In that context I would be remiss if I did not highlight a policy position which fails these critical tests.

Current Queensland Labor Policy professes our commitment to:

improving the lives of all Queenslanders by growing our State's economy while providing the conditions that give each of us the opportunity to reach our full potential.

It goes on to state that:

Labor in Queensland believes Government has a role to play in enabling both economic growth and opportunity for all.

I give this statement a big tick. It is grounded in the party's fundamental commitment to fairness, equity and equality of opportunity.

However, the policy document further states that

In instances where the Government owns or operates services, assets or infrastructure, Labor commits to retaining these in public ownership during Government and rejects privatisation of essential services.

How does this statement stack up against the principles of equality of opportunity, fairness and the equitable access to services?

There is no consideration as to whether the services, assets or infrastructure are being delivered or used in a manner that ensures fair and equitable access.

Secondly, there is no consideration as to whether those assets and services are fit for purpose or whether there might be a better way to achieve the desired economic and social outcomes.

How can a party of reform and social justice justify the sterilisation of scarce government resources on the grounds of nostalgia?

If previous governments had adopted such a nonsensical policy position, government would still own state butcher shops and hotels in localities now devoid of population.

It would as sensible as the new hospital in *Yes Minister*, fully staffed but no patients!

Even if the rationale for retaining an asset was to provide employment, this would not necessarily pass the threshold, equitable test.

When I was Transport Minister, I remember discussing the merits of employment in the public sector and the private sector with Laurie Carmichael, a former Victorian and National official of Amalgamated Metal Workers Union and Assistant Secretary of the ACTU.

Laurie made the point that the issue was about jobs and not whether they were public sector jobs or private sector jobs. As a union official with members in both the public and private sectors he insisted that public sector workers and public sector jobs were neither more nor less valuable than private sector workers or private sector jobs.

I believe security of employment comes with real jobs – public sector and private sector jobs.

Our commitment must be that in a time of economic change, we will not leave people behind.

Income support, whilst providing access to ongoing education and training that enables workers access to acquire the new skills they need for new and emerging jobs will produce far better social and economic outcomes than leaving people trapped in declining industries with little prospects for the future, or worse.

In government, we certainly should not retain parcels of land once acquired for roads and railways, schools or hospitals that either no longer exist, or will never be built because the site no longer meets requirements or that demographic change demands these facilities be built elsewhere!

Even worse, how can we justify preventing Labor Governments using the proceeds from the sale of surplus or redundant assets to finance the roads and railways, the schools and the hospitals that are required to deliver the essential transport, health and education services to the community?

The public expects governments to manage the economy and exercise a responsible public stewardship over our public assets. That means in practice, governments must buy and sell assets and manage that public portfolio to ensure that it maximises the public benefit, either to fund services or meet public financial obligations.

It is a similar expectation that surrounds the management of the two trillion dollars that fourteen million Australians have invested in superannuation.

Just ask anyone with a superannuation account whether they believe their trustees should ignore the performance of the assets that are to support them in retirement.

Australians expect their superannuation funds to hold good assets, productive assets not lazy assets nor liabilities that pretend to be assets.

The same holds for government.

Our public assets are a means to an end. They are not an end in themselves.

They are nothing more than tools to be used by government to achieve policy objectives and we have a responsibility in government, to make best possible use of those tools.

As efficiency and innovation is vital to our economy, so it is to government.

As a party that believes that government has a legitimate and vital role in enabling economic growth and opportunity, we surely want to maximize the economic and social outcomes in the public interest.

This is not an argument against public enterprise.

Government must be active and intervene in the public interest, in the interests of equity and fairness.

We need to support public enterprise but when it is economically efficient and socially desirable to do so.

We need to see it for what it is.

It is just one of a range of policy choices and we must recognise that in every choice, there is an opportunity cost.

When we determine our budget choices, we establish spending priorities.

We are saying that spending on our preferred programs and services is more important than other options.

Resources, even for governments are finite.

Our challenge is to determine which policy outcomes are most desirable and set our budgetary and legislative priorities accordingly.

Public enterprises can provide a tool to overcome market failure.

Public enterprises can be used to deliver service outcomes, but we must always be alert to any less expensive or more efficient alternatives that will achieve an identical or preferably, a better outcome.

Let's look at the same issue from a different perspective.

By delivering a service more effectively and at a lesser cost to budget enables government to use the savings to support important programs that it could not otherwise afford to fund.

Hanging on to "so-called assets" simply because they are currently in public possession is not only a nonsense, it represents an abdication of responsibility and missed opportunity to act in the interests of achieving greater fairness and equitable access to services on the part of those who are most in need.

In his autobiography, published some twenty years ago, Bill Hayden offered some advice to the Labor Party. He wrote:

If the party does not rediscover itself it is going to lose valuable time in opposition with wasteful internal battles and factional power struggles which may not be notably creative. At its worst the party could lock itself into myths of the past, pretending it can stand still while society rapidly evolves around it; a certain formula for atrophy and irrelevance.

Let's recognise the forces of change that are occurring within our society.

Let's hold fast to our values and promote policies that reflect those values.

We must not pretend we can turn back the clock.

We must be honest and upfront with the Australian public.

We must explain what we want to do, what we are able to do and why we should do it.

The last word should go to Bill. I quote:

I retain a profound commitment to society, a deep belief that the role of government is to assist in establishing the conditions in which people can be free and independent and society itself secure while striving for greater material prosperity and an improved quality of life, including in the built and natural environments.

I couldn't agree more.