



# CEDA's Top 10 Speeches 2015

A collection of the most influential and interesting speeches from the CEDA platform in 2015

# CEDA's Top 10 Speeches **2015**

A collection of the most influential  
and interesting speeches from the  
CEDA platform in 2015

### **About this publication**

CEDA's Top 10 Speeches 2015

© CEDA 2015

ISBN: 0 85801 297 9

This publication is a collection of edited transcripts.

The views expressed in this document are those of the authors, and should not be attributed to CEDA. Persons who rely upon the material published do so at their own risk.

Designed by Robyn Zwar Graphic Design

Images: CEDA Photo Library.

### **About CEDA**

CEDA – the Committee for Economic Development of Australia – is a national, independent, member-based organisation providing thought leadership and policy perspectives on the economic and social issues affecting Australia.

We achieve this through a rigorous and evidence-based research agenda, and forums and events that deliver lively debate and critical perspectives.

CEDA's membership includes 700 of Australia's leading businesses and organisations, and leaders from a wide cross-section of industries and academia. It allows us to reach major decision makers across the private and public sectors.

CEDA is an independent not-for-profit organisation, founded in 1960 by leading Australian economist Sir Douglas Copland. Our funding comes from membership fees, events and sponsorship.

### **CEDA – the Committee for Economic Development of Australia**

Level 13, 440 Collins Street

Melbourne 3000 Australia

Telephone: +61 3 9662 3544

Fax: +61 3 9640 0849

Email: [info@ceda.com.au](mailto:info@ceda.com.au)

Web: [ceda.com.au](http://ceda.com.au)

# Contents

Introduction	4
Professor the Hon. Stephen Martin, Chief Executive, CEDA	
.....	
1. Not all debt is bad	5
Dr John Hewson, Chair, Tax and Transfer Policy Institute, ANU Executive Director, Shartru Capital	
.....	
2. Recommendations from the Competition Policy Review	17
Professor Ian Harper, Chair, Competition Policy Review Panel Partner, Deloitte Access Economics	
.....	
3. Education to empower disadvantaged young people	33
Anne Hampshire, Head of Research and Advocacy, The Smith Family	
.....	
4. The importance of women becoming leaders	43
Professor Gillian Triggs, President, Australian Human Rights Commission	
.....	
5. Infrastructure in the future	55
Dr Chris Luebke, Fellow and Global Director for Foresight, Research and Innovation, Arup Foresight (USA)	
.....	
6. Educating the future workforce	67
Professor Jane den Hollander, Vice-Chancellor, Deakin University	
.....	
7. Treat volatility as a friend	75
The Hon. Malcolm Turnbull, Prime Minister of Australia (then Federal Minister for Communications)	
.....	
8. The seven global megatrends of change	85
Dr Stefan Hajkovicz, Principal Scientist in Strategy and Foresight, CSIRO	
.....	
9. Advocating for change	95
Elizabeth Broderick, Sex Discrimination Commissioner Australian Human Rights Commission	
.....	
10. Australia's economic reform challenge	111
The Hon. John Howard OM AC, 25th Prime Minister of Australia	

# Introduction



This is the fourth year that CEDA has looked back over the year's events and selected the Top 10 most interesting and influential speeches.

The speeches selected are ones that offered fresh perspectives on current issues, or that advanced important debates of particular community interest, or simply those that especially inspired audiences and generated further discussion.

It was a politically dynamic year with unusual electoral volatility and multiple challenging issues for policymakers, many of whom were keen to share their views.

As a result, CEDA events in 2015 offered the chance to listen to engaging commentary by leading advocates, academics, and experts on a huge array of contemporary issues.

CEDA held more than 170 public events and had record breaking attendance of more than 35,000 which is testament to the quality of the speakers on the CEDA stage this year.

Topics ranged from the global megatrends influencing our future to domestic policy shifts; from the implications of digital disruption to emerging local opportunities for innovation; from international economic challenges to national competition policy.

The speeches included in this publication are not ranked, but simply placed in chronological order.

We are grateful to all our speakers, with particular thanks to those who consented to their speeches being published.

I hope you enjoy reflecting on the conversations in 2015.

A handwritten signature in black ink, appearing to be 'S. Martin'.

Professor the Hon. Stephen Martin  
Chief Executive, CEDA

- > RELEASE OF THE 2015  
*ECONOMIC AND POLITICAL OVERVIEW*
- > 24 FEBRUARY 2015
- > BRISBANE



## Not all debt is bad

Dr John Hewson

Chair, Tax and Transfer Policy Institute, ANU  
Executive Director, Shartru Capital



Dr John Hewson's experience and perspective offered valuable insights into the small target strategy run on both sides of politics, highlighting a lack of long-term structural thinking, long-term policy and detail.

He was frank about the damage wreaked on Australia's prosperity as good government drifted and allowed the problems to worsen. Reading Dr Hewson's timely speech offers a valuable opportunity to compare today's trajectory with the negativity that dominated in early 2015.

I thought I might start by referring to the 36th President of the United States Lyndon Baines Johnson, who was known as a pretty rough-and-tumble sort of president.

He was put into the presidency, of course, in the worst circumstances: sworn in on Air Force One on his way back to Washington, after the assassination of John F Kennedy. But he turned out to be a very effective president because he knew how to handle Congress, unlike most of the ones since. He was a creature of the Congress and he could get legislation through. So he got things like civil rights through the Congress when I don't think Kennedy, for example, would have been able to do it. He made some quite definitive statements about their exposure to the war in Vietnam, and then opted out of continuing in that process.

But I most remember him for a particular statement he made to the then Chairman of his council of economic advisors, a Professor from Harvard named John Kenneth Galbraith. He said to Galbraith one day, "John, have you ever thought that making a speech on economics is very much like pissing down your leg: it seems awfully hot to you but rarely so to anybody else?" And I guess, against that background I'll be very careful as to how much data I use.

I've been analysing economies since my days in the IMF in the late 60s–early 70s, and I would say, without exaggeration, this is the most difficult period I can remember to say what might happen next; where the economies of the world may go.

Over that period I think I've been able to pick most of the major turning points, the recessions, the stock market crashes, the GFC, and a host of other changes – the collapse of the Bretton Woods system and so on.

But right now, in my mind the uncertainties are greater than they've ever been.

It's much harder now to have a firm view about where the world economy will go, let alone where we might fit ourselves into that in terms of the Australian context.



And there are a lot of reasons for that. The orders of magnitude in terms of policy changes are much bigger than we ever imagined they'd be. I remember in the 80s teaching at New South Wales University. We used to have a subject called 'The Limits of Fiscal Policy', where we used to say that it couldn't change the budget deficit more than a couple of percentage points of GDP: it would be politically intolerable. Yet, in response to the GFC, I think Ireland moved it something like 14 percentage points of GDP. We went from a surplus of two to a minus six or something – huge orders of magnitude, unprecedented in our experience.

We've also experienced much greater volatility in foreign exchange markets and bond markets (the financial markets generally) than we'd become used to for most of the post-war period. And I guess the economic profession has been pretty divided about what we should do.

At one extreme, of course, you've had those who argued a very strong case for austerity. And at the other extreme you've had people like Paul Krugman saying, "Well, if you go down that path you'll turn what would otherwise be a recession into a depression".

If you look at around the globe today you'll see how many alternative attempts there've been at policy shifts over very long periods of time, without any of the expected results. I think probably the monetary authorities of Europe, the United States, and Japan in particular, have tried just about every conceivable monetary policy. And yet we sit in Europe today, still on the verge of a recession more than six years since the GFC, and their concern is about deflation. They think the response to deflation is to put even more liquidity into the system through quantitative easing.

There's a whole string of countries, I actually took a list of them out today, I've got Germany, Finland, Austria, Netherlands, France, Belgium, Slovakia, Sweden, and Denmark, that have all got negative two-year rates.

I remember when I was a PhD student, one of my colleagues had his thesis thrown out of the university because in his model there was an implicit assumption that interest rates could be negative. They thought that was inconceivable. And here we are, seriously fighting deflation with negative interest rates in a number of those countries.

And you only have to look at Japan to get an idea of what might happen. Nobody picked at the end of the 80s that Japan, the economic success story of the whole post-war period, would move into more than two decades of rolling recessions and deflation – despite negative interest rates (or near zero)

throughout most of that period; a multiplicity of fiscal packages; stimulatory packages; a multiplicity of prime ministers, and they're still there. And they're still trying to pump even more money into the economy with debt at about 220–230 per cent of GDP.

As I say, a lot of the relationships we might have taken for granted in our economic classes no longer seem to apply. Flooding the world with liquidity, for example, didn't bring about runaway inflation even though some central banks (particularly our own) were most concerned about that. Not to say that at some point it won't happen.

We've fallen into this world where now the answer's been more and more quantitative easing, which I think has probably surprised everyone in that it hasn't stimulated much economic activity. You haven't seen much pick-up in consumer confidence and spending; you certainly haven't seen very much business investment around the world. But, I think it has contributed significantly in three ways:

1. It's accentuated inequality
2. It's underwritten some asset bubbles around the world; and
3. It's expanded debt levels when a lot of the concern going into the GFC was the debt levels we'd seen.

Very significant challenges, I think, just looking at the world.

I look at the Euro and see how relative countries in the Euro have fared in this period. I'm really again quite staggered. Obviously Germany's done okay, even though they're not far out of recession either these days, obviously influenced a lot by the collapse of the Russian economy. But they've benefitted enormously from having a very, artificially low exchange rate, compared to other countries like Greece at the other extreme, which has suffered enormously from the value of the Euro.

It's interesting to think about a country in the Euro and a country out. Take Spain and the UK, for example: going into the GFC they both had similar levels of government debt-to-GDP. Yet, the way they could respond to the crisis was very different.

There was a run on Spanish bonds (or their international indebtedness). Their central bank couldn't stand behind those bonds: they had to rely on the European Central Bank which didn't respond very quickly. Yet in the UK, of course, the Bank of England could stand behind the bond market.

But more importantly, the Spanish economy couldn't get the benefit of depreciating its currency. Whereas, in the UK there was a 25 or 30 per cent depreciation in response to the GFC, and the relativities are quite significant.

Now you've got the UK making a reasonably significant recovery – having had some austerity, having had some structural reform – but a reasonably significant recovery.

And the Spanish economy is still languishing close to recession or in recession: 25 per cent unemployment rates; 50 per cent youth unemployment rates; and no medium-term prospect of getting out of it.

I guess to focus one final point on Europe, there is Greece.

Another thing that's happened is political tolerance has been eroded. I've seen a bit in recent days in this country. The capacity to continue a program of austerity runs a limit.

The Greek economy is a good example because they had a recession for about six years which resulted in about a 25 per cent cut in their GDP. They started out post-GFC with a debt of about 130–140 per cent of GDP. Today, it's 175 per cent of GDP. The problem's getting bigger. Yet the pain that they've endured in terms of cuts to government spending, cuts to public sector employment, immigration, and so on, has been very, very significant.

You've seen a Greek government come into power in the last few weeks which is promising an end to austerity – trying to renegotiate its debt position with the troika, particularly the Europeans, and that's a big ask. The Germans are naturally resisting because, the way they see it, somebody in a German factory – probably an old East European factory – has to work longer and harder in a manufacturing sector so that some Greek bureaucrat can retire early on a generous pension. The social tensions within Greece are enormous because of the pain they've borne under austerity.

The tensions within Europe are very real. And, of course, in economic terms there's quite an interest as to whether 'Grexit' will take place; whether Greece will actually exit the Euro.

Most of the Greeks when surveyed don't want to leave the Euro. I personally don't think it'd make much difference – they'd be better off outside the Euro with the flexibility of an exchange rate to offset some of the other issues that they're addressing.

But these are very real pressures. There's not much clear economic theory or guidance coming out of any of that discussion. And they are teetering on the brink of recession, fighting deflation but still trying to do the same sort of things they've done for quite some time. I think Einstein used the definition of insanity – that you keep doing the same thing in the same way, expecting different results. But I don't think you're going to get it in this case. The pressures in Europe are very real.

Of course, in the US they've actually had more success in the recovery phase. To some extent you'd have to say quantitative easing did work in at least stimulating part of their economy – particularly the construction sector and so on. But again, it's contributed enormously to inequality; it's risked an asset bubble, and indebtedness hasn't really been solved.

And now the transition of interest is: How do they move from a world where they end quantitative easing to actually start tightening? If there's an asset bubble in the US stock market, for example, how big a correction are you going to get when they start raising interest rates? How much of a shakeout might you get in the bond market? How much of a shakeout might you get in the currency market? Especially when so many countries are trying to drive their currencies down to get some competitive edge as a way of trading out of these circumstances. These are very significant questions to which we don't have too many answers.

I remember when Bernanke first announced that they'd end tapering. The stock markets and currencies of most of the major emerging markets fell by somewhere between 10 and 20 per cent, because they'd been beneficiaries of cheap money from the US coming in and making fairly speculative investments in their countries against their currency values.

And how much *more* of a shakeout is there going to be? Maybe the transition will go smoothly. But there are not too many management experiences you can draw on in the last 50 or 100 years that would help you handle this set of circumstances. The risk is a stock market correction, a bond market shake-out, some currency readjustment ... and these are very big risks.

But they've had paucity of structural reform, very bad political structures, not supportive of good government. Unlike this country where I think today we're in day nine of good government, you're not getting good government in these other countries.

Finally: a brief comment on China.

China's obviously slowing. Who knows what the growth number is? I was in China a few years ago and they announced the growth rate for the September quarter in the middle of the month of September. I was fairly nervous about what that meant because we couldn't do that till the first week of December. It has clearly slowed from the double digit numbers to six or seven per cent.

I hosted a Chinese delegation recently at the university, a very senior government delegation on climate change. They're working on growth numbers of four or five per cent in their modelling for the 2020s, moving in that direction reasonably quickly, probably quicker than they've been prepared to admit.

But that's a very significant constraint on us. As the growth rate slows in China, the structural weaknesses of the Chinese economy become evident: the massive inequality; the difficulty of making a transition from an investment-based economy where investment's been as high as 50 or 60 per cent of GDP, to a consumption-based economy; the problems in the shadow banking sector and non-performing loans. These are very significant structural issues that are coming to the fore at the present time.

So, just briefly, the background of the Australian point of view: those risks are bigger than I think are acknowledged in most Treasury documents that I've read in the last several years. They mention them. You know the Treasury strategy – if you've got a paragraph, you've mentioned it, therefore you've taken account of it. But you haven't actually factored in the reality of those circumstances unfolding from our point of view.

Consistently Treasury's got those key international-related numbers wrong: the terms of trade; the revenue consequences; they've got them wrong. They got them wrong on the upside when the resources boom was giving more revenue than the government ever believed was possible. Now they're getting them wrong on the downside when the revenue's actually much weaker than they dared to predict in any budget.

So against that background, in a sense you might say, "Who wants to be in government in this country?" Because ... it's a very significant challenge.

We've had this drift in politics in Australia since a bloke named Hewson in the early 90s dared to lay out all the detail of policy – thousands of pages of detail, now universally accepted as the longest political suicide note in history.

But having said that, we've become such a ridiculous small target strategy on either side of politics, to the point where they aren't prepared to say very much at all.

The last election campaign was a series of dot points for policies: I'll stop the boats, and fix the budget, and create two million jobs, and don't ask me how – any detail about any of that. At the same time: I promise to increase all this government spending on national disability, National Broadband, Gonski, and a host of infrastructure projects. And at the same time I'll lower corporate tax, and I'll lower personal tax ... and even I can see that it doesn't add up. But that's the ridiculous extent to which we've come in this country where both sides of politics are playing that game.

And unfortunately it's done two things – it's certainly bred some of these minority parties that have found a way into the senate and are having an influence on policy. And it's bred intolerance in the electorate who is now going, "No two-term governments anymore: if you don't perform in one term, you're out." And I think that's a very, very significant shift.

But, more importantly, and neither of them are looking at it, the standing of both major political parties in the eyes of the electorate has collapsed. They see it as short-term, it's opportunistic, it's negative, and it's in many cases personal. Political gain played out in the media to win the media every day. No long-term structural thinking; no long-term policy; no detail.

And we've seen circumstances where particular vested-interest groups have been able to exercise an undue influence on government decision-making, so the electorate is actually voting, I believe, with their feet, saying, "We don't like either major political party". And that's evident in state election results. It's evident in the re-run of the senate election in Western Australia after the last election. It's obviously evident in the composition of the senate. These are very significant constraints on what we can realistically expect to happen.

Against that background we see a budget brought down last year, which was universally condemned as inequitable.

I remember, I was sitting on ABC Radio 'live', listening to the budget speech, looking at some numbers in front of me. I immediately said, "I can't believe this. I mean there's about a 12 per cent, 15 per cent cut in the disposable income of people at the bottom, and less than one per cent cut on the disposable income of people towards the top end of the spectrum. It will be damned as inequitable."

Why? For two reasons:

1. It was inequitable, and
2. Because the expectation was created that it wouldn't be.

One of the commitments that were made by Joe Hockey and Tony Abbott and others in the run-up to the election and the release of the Audit Commission (and so on) was, “Oh, this is a budget emergency. We’ve got to take some tough decisions. But don’t worry – we’ll be fair; we’ll be equitable; we’ll spread the burden across the Australian community.”

But if you only look at government expenditure and you focus on things like welfare payments and benefits, you are naturally going to hit the lower income groups.

If you leave out the tax expenditures on the other side, which are about \$120 billion (they’ve stopped putting that number in the Treasury documents now: it’s \$120–\$130 billion but growing much faster) and they’re concentrated in housing, they’re concentrated in superannuation, they’re concentrated in the GST. If you don’t touch those, you don’t have any really easy way within normal government expenditure to bring about an equitable outcome.

And then if at the same time when you announce a policy, you don’t explain why or what you’re on about, you shouldn’t be surprised that you get slammed.

For example, you announce a co-payment for health, the revenue for which doesn’t actually go to fix the Medicare system that’s supposed to be broken, but with no health policy within which to understand what that co-payment’s meant to do, how it’s supposed to work. The ground wasn’t prepared. People didn’t sign-off on the policy challenge, and then of course they got hit with a surprise.

The same with university fees and the changes to HECS – where’s the higher education policy within which I can understand these things?

And then, if you take a broader view, where was the overarching narrative that said, “New government: this is what we’re on about. This is how we’re going to handle these circumstances. We’re making a transition from an economy based on the resources sector to “whatever”?”

What is the “whatever”? How are we going to get there? Where are those two million jobs going to come from? I can count nearly 900,000 people registered unemployed and about 160,000 job vacancies. I think there’s an issue here.

You have to explain yourself in an overarching narrative sense. But, there’s no focus: no structure to any of that. So I think that a lot of damage has been done to a new government which has burnt an enormous amount of political capital.

And you say to yourself, “What can they do now?” Overlay the pseudo-leadership challenge over the last week or so, and ask yourself, “What can you reasonably expect will come out of this process?” And it’s not just in my mind simply a question of changing the jockey. The horse is crook. The horse is not running very well.

You have to look at the structure of government and the processes of government, but we have burnt that process in the last 20-odd years: the process of reform.

So many areas have not been embraced by either side of politics. Issues have been left basically to drift, to grow, to become more significant. If they ever become a crisis, of course they will react in some way. But at this stage we haven’t seen any of that sort of leadership.

And how do you break out of that mould? How do you get somebody out of the 24-hour media cycle where they think it’s important to actually hit the other side?

When I look at the Abbott government, the big change that surprised me was that they were so un-prepared for government. They weren’t ready to make the transition from being probably a world-class opposition – certainly the best opposition we’d ever had in this country in terms of their capacity to undermine and destroy a government. But they haven’t been able to make a transition from that to the process of governing.

In opposition you can get away with playing politics and you play a lot of politics, and they do. I didn’t but they did. I got criticised because I tried to set the agenda and be constructive and support them when they were doing the right thing. Today that would be considered insane. But it did help us to reform the financial system, and protectionism, and a host of other things in terms of external policy and so on.

But today the game has been in opposition: you’re negative, you oppose, you disagree.

Ok, but when you get into government, that doesn’t apply anymore. You don’t stand there all the time blaming the other side. You can’t stand there saying that it’s all their fault. Sure they’ve done it and it is their fault. But the emphasis is on policy, it’s on governing, it’s on solving problems. And we aren’t seeing any of that.

I don’t think changing either side of politics you’re going to see much change unless somebody’s prepared to stand up and actually set the agenda; actually





start to govern. And that's a very complicated process that we haven't seen in a long time.

But you have to start by getting an electorate to sign-off on the challenge, on the problem: the magnitude of the problem and what's involved.

Second stage, you've got to be prepared to lay out the options: the pluses and minuses.

And third stage, you have to pick one of those as your policy and get out there and educate and defend.

I don't see that there's much chance of that happening in current circumstances on either side of politics.

Yet, in terms of the magnitude of the uncertainty that I see internationally, and the challenges that we have in this country, and in any area of public policy, there are very significant real challenges that have been left to drift. I think the challenge is enormous.

Thank you.

> THE COMPETITION POLICY  
REVIEW FINAL REPORT

> 14 APRIL 2015

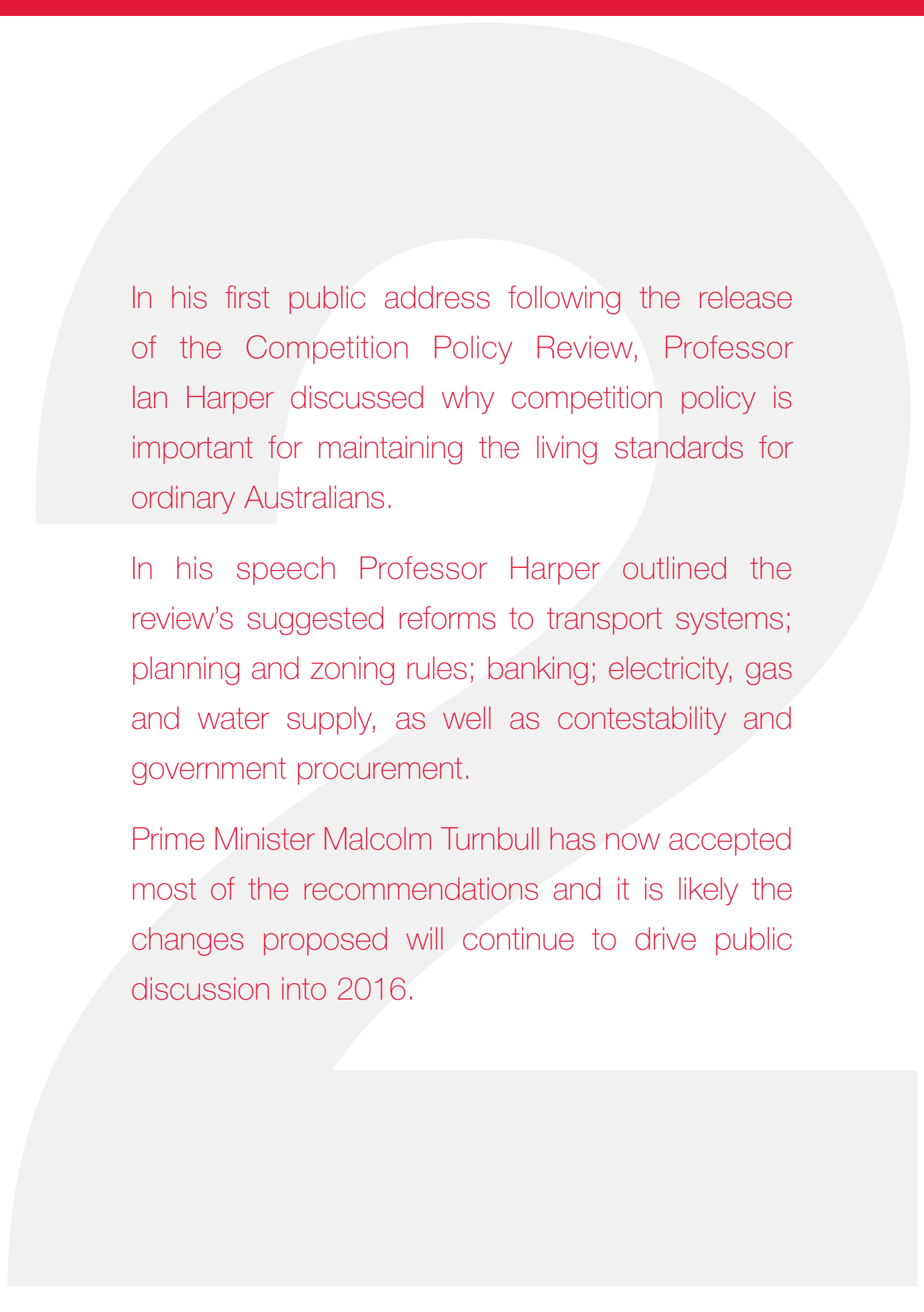
> MELBOURNE



# Recommendations from the Competition Policy Review

Professor Ian Harper

Chair, Competition Policy Review Panel  
Partner, Deloitte Access Economics



In his first public address following the release of the Competition Policy Review, Professor Ian Harper discussed why competition policy is important for maintaining the living standards for ordinary Australians.

In his speech Professor Harper outlined the review's suggested reforms to transport systems; planning and zoning rules; banking; electricity, gas and water supply, as well as contestability and government procurement.

Prime Minister Malcolm Turnbull has now accepted most of the recommendations and it is likely the changes proposed will continue to drive public discussion into 2016.

The final report was published on the 13th of last month, released by the (then) Minister for Small Business, Bruce Billson.

It's on a fairly heavy-gauged paper so it makes a nice thump when it drops on the minister's table. Other consultants from around the room including my colleagues from Deloitte will know exactly what I mean about the value of a report that goes *thump*.

It's 540 pages or so and I intend to just lead you through some of the key things.

Su McCluskey (now former CEO, Regional Australia Institute); Peter Anderson (former Chief Executive of the Australian Chamber of Commerce and Industry); Michael O'Bryan QC (well-known to lawyers in Melbourne); and I ... the four of us<sup>1</sup> were tasked with a very broad terms of reference.

In particular, we were asked to engage in as many stakeholder meetings as we felt we could, to ensure that the views we eventually put to government, we could say (with hand on heart) had been thoroughly tested.

Of course, that doesn't mean everybody agrees with us. On the contrary, I wouldn't expect that. What I would certainly expect is that, as a result of all of the meetings we undertook with stakeholders and nearly a thousand submissions (350 to our issues paper and 600 submissions to the draft report), that everybody had a say.

The four of us decided early in the piece that (to be blunt) we had better things to do than to traipse around the world trying to conduct meetings with foreign officials and others about what we should do with Australian Competition Law. That didn't mean we thought what was happening overseas was irrelevant. We just thought it would be much more sensible to bring selected representatives – experts in competition law and practice, academics and lawyers – here to Australia. Hence, the international conference we held after publication of the draft report where we invited guests from the local fraternity of competition law and policy so they could hear what was being said to us at the same time as we heard it.

I think that was a very important meeting for us in seeing how people responded to the various ideas that we'd floated in the draft report. I would commend that to others who are engaged in the process of public policy consultation as a way of much more efficiently engaging foreign views about what we propose here, rather than trying to run from one meeting to another in New York City or London or elsewhere.

### The context for the review

The context for an exercise like this review is also very important.

With a series of reviews coming out including the tax reform and others, often you'll hear people say in the context of reports, "This reform agenda is essential". It's essential for us to continue the momentum that is now lagging as the mining investment boom wanes.

Australians have become used to the fact that mining investment, and its terms-of-trade effects, has continued to drive our living standards. It's not absolutely clear that many of our countrymen and women understand the strength of the downdraft on the growth of our living standards, which is arising as a result of the fact that the mining boom is waning. It will be replaced of course by an export boom: that's true. But that boom won't be anywhere near as sharp; it will take a lot longer to work its way through. And in the meantime, we're living through the downdraft of commodity price reductions; reductions in mining investment.

So how are we going to sustain growth in living standards? The answer that economists will give you is productivity growth. Productivity growth is one of those schemerical phenomena: you can define it, but how do you actually bring it about? What is the magical formula?

We don't know all there is to know about what drives productivity growth. We do know that it's an essential ingredient in driving living standards.

We also think that, of all the things that you could do to try and encourage productivity growth, competition has to be up there on that list. Competition in the end is the vying, the bidding of sellers for your business – the fact that they will do, and have to do, whatever they can to win your business ... whether it's putting a price down, improving the value of a proposition, or making something a little bit new, a little bit shinier.

That process of competition drives innovation: it spurs us on. I often use a sporting analogy at this point because I think it's intuitive to Australians as we think about what makes for good sporting competition. What actually brings forth excellence in our sportsmen and women? We know it's the competitive cut and thrust of the sporting arena. And we also know that the cut and thrust can get pretty rough. Then again we know that good sport is not gladiatorial: it's certainly physical and strong with lots happening and people can get hurt, but there are rules which are strictly enforced.

You speak about competition in that context and I think most Australians find it intuitively obvious. It produces the best quality game (if you like). Now of course the AFL is a multi-national corporation. It makes a lot of money. It produces great sport ... engages us in a process which is essentially about encouraging excellence at a very grand level. It's that same logic we're seeking to apply here in the commercial arena.

The competitive process drives innovation, and innovation drives growth. And all of this can involve people losing their shirts. It needs to take place within the context of strictly enforced rules just like the Rugby League or the AFL or any sport – strictly-enforced rules to ensure that it's the game that counts. It's not about advancing the interests of any individual competitor, or putting lead into the saddle of any particular rider. It's about ensuring that this contest is fair but vigorous, and out of that comes value.

One of the essential parts of the backdrop to this whole exercise is that issue that we face: how will we continue to drive the living standards for ordinary Australians?

One answer is competition policy. And the four of us have offered to the government our recommendations for how Australia's competition policy, laws and institutions might be tuned up to give a stronger edge to the competitive process with that aim in mind.

There's another part to it as well. Lots of things have changed since the last time competition policy was reviewed in any systematic way by the Hilmer Review back in the early 1990s. Lots of things have changed, not the least of which being digital technology. It was, in many respects, not even dreamt of when Fred Hilmer and his colleagues reported in 1993. After all, the World Wide Web was only switched on in 1996.

But it isn't just the digital revolution. Take the growth of China. We've now experienced that in real life and the impact it has had on the Australian economy has been completely transformative, as with the phenomenon of the population ageing, observed in prospect in the early 1990s, but increasingly part and parcel of the way we need to drive our economy as the government's recent Intergenerational Report made clear yet again.

So these three things are also relevant because they mean that the competition policy law and institutions that we're enquiring into, should be fit for purpose as far as possible. Where the laws, the policies and the institutions are out of date, or conspicuously misdirected, in light of these major challenges that face us, then what we sought to do was to recommend reforms to ensure these things are more fit for purpose; better tuned to current circumstances.

So there's the reform challenge. It has a history to it.

I'd also like to make an important point. Some people have accused our report and our discussion of being "academic" – an indirect jibe at my former career. I think that that's completely wrong. I don't think it's academic at all. I think the ideas in here are not just practical. People understand what competition is and not just competition on the sporting field: it's choice for your mobile phone plan; your ability to choose among a different set of electricity distributors. People understand what choice means. This is not new.

We've had 20 years of experience in this area. People in some parts of our country understand what it means to have deregulated retail trading hours. You don't have to believe that, if you deregulate trading hours, suddenly there would be no small businesses left. You can look for yourself. As amazing as it may strike some in our country, that's the way life is for lots of Australians – particularly here in Victoria, but also in Tasmania and New South Wales. Trading hours have been deregulated and, lo and behold, outside the large supermarkets there you see, alive and well, the specialist butcher shop, the specialist baker shop, the fruit shop. It simply is not true that deregulating retail trading hours drives small business out of business.

Nor is it true that everybody has to work on a public holiday. On the Australia Day weekend my wife and I went down to our local shopping centre to find a place open for a cup of coffee in the afternoon. The first place we came across had a sign in the window, "We're off to the beach for an Australia Day holiday. Have a happy holiday!" And the next shop was also closed and they said, "Sorry – we're closed for today. Open again tomorrow morning. See you then." And the third one was open.

These people made a choice when to open, when to trade and when not to: it was a matter for them. Which is precisely what we're saying: no one is obliged to trade all the time. But neither are you implicitly obliged to trade all the time because if you didn't you'd lose business massively to your competitors. That's a matter you can decide for yourselves.

The Hilmer Review<sup>2</sup> drove competition into the non-tradeable parts of the Australian economy ... following on from those great early reforms in the Hawke-Keating era which included, as you will recall, admitting foreign banks to our country, engaging in deregulation of the exchange rate, and other memorable changes.

In the early 1990s, when Prime Minister Paul Keating unleashed the Hilmer Report, it went into the non-traded parts of the Australian economy. The traded goods sector was substantially affected by things like moving or lowering tariffs, and deregulating the foreign exchange market.

For this Competition Policy Review, we have recommended taking competition even beyond that. In fact, right across the economy and, in particular, into areas that the Hilmer Review never countenanced – into government itself and services that government provides: human services.

## Human services

Let me answer a question that I expect somebody might ask (they've certainly asked it before): What do I consider the most important of the recommendations? That is, the one likely to make the biggest difference if it were implemented by governments?

And the answer to that question is quite clear: human services.

Human services (health, education, welfare) are a rapidly growing part of the Australian economy; a bigger and bigger share of the national economic pie, and a bigger and bigger share of government outlays.

So if you can realise improvements, not just in the cost of providing those services, but by improving the quality of those services ... their flexibility, diversity, how innovative the service providers are in meeting an increasingly wide and changing array of preferences ... if you can do that, you've got a chance of making a much bigger difference to the lives of ordinary Australians than doing many other things. That makes it the most important in our view. And it is a national challenge.



The recommendations that are made in this report, ladies and gentleman, apply to all levels of government. Some of them of course can only be implemented by the Commonwealth, as in recommended changes to the *Competition Consumer Act 2010*, a Commonwealth Act.

But in other areas such as human services, these are often jointly-shared responsibilities of the Commonwealth and the states and territories, or uniquely the problems of the states and territories. So there are benefits here; there are proposals here; there are ideas here for all of the jurisdictions, and in order for these ideas to be taken up, it doesn't require all of the governments to agree.

Our view is that if there were a multilateral approach and all of the governments did agree to a national approach to this (as they did with the National Competition Policy following the Hilmer Report 20 years ago), that would have the greatest chance of delivering maximum benefits. I think that's sort of obvious.

But if that can't be arranged for whatever reason, that doesn't mean this is a dead duck: on the contrary. And we've already seen this. The governments of the Northern Territory and the ACT have already announced enquiries into the regulations of the taxi industry and passenger transport. They have already made a start there. In fact, there are a number of areas here where state governments have already started to consider ways in which competition could be introduced.

In thinking about where all this might go in a broader politico-economic context, I don't think that the outcome here is purely and simply the result of what's decided in the Commonwealth Parliament. In certain areas that's obviously true, but it's not true across the spectrum of our recommendations.

How did we go about our business?

Essentially we asked ourselves a series of questions. They go to the sorts of matters you would expect us to ask and they refer to the competition framework, the laws, the policies, the institutions.

- Do they focus on making markets work in the long-term interests of consumers? If not, how could they be made to do so?
- Do they foster diversity, choice and responsiveness?
- Do they encourage innovation and entrepreneurship?
- Are the laws clear and reliable and practicable?
- Do they promote the efficient use of infrastructure and natural resources?

- Do they secure underlying standards of access and equity?

These were the filter questions we used as we thought about the policies, laws and institutions, and then decided how we thought they could be changed so as to better achieve their objectives.

I've mentioned the context. It's important to remember that this is not new territory. We all have experience of this. As I walked with my colleagues around the different parts of our capital cities and met with people individually and in groups, it wasn't hard at all to get people thinking about examples of how changes that had been introduced over the previous 20 years had affected their lives.

Can I also say that, in all of those meetings, and in nearly 1000 submissions, nobody, not one, said, "You know, this competition policy business you go on about is a complete failure: a complete croc. Those institutions should be abolished; the law should be abolished; it has failed to serve the interests of Australians."

Nobody has said that. Why not? Well it would be ludicrous to say that. People understand that competition is a very valuable thing. They understand that right across the political spectrum. Like me, you would have seen the Labor Party's response through Shadow Treasurer Chris Bowen to both the draft report and the final report.

These are matters which are shared across the political spectrum because of the innate wisdom and familiarity that we have in our country with the competitive process. So yes, there's experience here; there's a track record. This isn't some airy fairy theory dreamt up by an ex-academic. There are real track records that you can experience for yourselves – if not in every state, then certainly in parts of our country, for example, you can find out what it's like to be able to order in a greengrocer and consume any variety of potato that you'd like.

Going forward, as I've indicated, this review was very much about fitness for purpose – thinking about how these competition laws, policies and institutions could be driven forward. The forces for change provide the context looking forward. I think, with due respect to Fred Hilmer and his colleagues, at that time there was less focus on how to drive these policies into the future. We can't avoid that now because of the rapid pace of change. Digital technology is ubiquitous and we're forever asking ourselves how that's going to change things. It's already changing landscapes and politics and laws and in ways that people don't necessarily appreciate yet, and you can only see it dimly yourself.

For example: in the Hilmer Report there was quite some discussion of the newsagent business. Newsagencies used to have the same type of location rules which still apply to pharmacists – rules which prohibited newsagents from being located too close to one another for various reasons. The word ‘newsagent’ doesn’t even appear in our final report. Why not? Because technology has just blown all of that away: it’s just no longer relevant.

Who’s next? How do you design competition policies, laws and institutions when the technological change that is upon us can render them completely nugatory, just like that?

### The recommendations

Our recommendations<sup>3</sup> – 56 in the final report from 53 in the draft report – reached policy law in institutions. There are two new policy recommendations in the final report:

- One relates to government procurement<sup>4</sup> to make it quite clear that government procurement processes should have competition at their core. That’s part-and-parcel of extending competition policy into the sphere of government wherever government rubs up against trade and commerce. Hilmer took it as far as government in business: this review takes it out beyond that point to wherever governments engage in activities that rub up against trade and commerce.
- There’s a recommendation about informed choice<sup>5</sup>, about the importance that we now have for people to have access to the right kind of information in the right format in order to drive the types of choices, particularly in the human services area, that we give such emphasis to. People pointed out to us that choice is a good thing, but you can’t exercise choice unless you are appropriately informed. That’s correct. So there’s now a discussion in the final report which goes to that in more detail.

Among other refinements in the final report, we have:

- A reformed Section 46 to deal with the issue of exclusive dealing<sup>6</sup>, and
- A separate recommendation on trading restrictions in industrial agreements<sup>7</sup>, which various parties indicated to us was given a ‘once over lightly’ in the draft report and needed more careful discussion.
- In Competition Institutions (*Part 5*), we again called for our final recommendation on governance for the ACCC<sup>8</sup> (the Australian Competition and Consumer Commission).

So, a relatively small number of changes.

Looking at the priority policy reforms that you will see in the final report:

- I've mentioned human services.<sup>9</sup> We've spoken already about the importance of separating policy regulation and the provision of the services,

Contestability, driving choice: Another thing that Australians innately find distasteful is monopoly. That's when somebody has the arrogance to say, "Oh yeah mate, this is all there is on offer. You pay this price or you go without." Or, "You take this one, or you go without." That's something which sets the gall rising in most Australians. I understand that.

So, when you talk to Australians about choice and contestability, and unleashing forces which allow the seller to run down the street after you, saying, "But please. What about mine? Take mine." That's the sort of thing we understand.

We wanted to unleash that in a measured way (protecting access and equity of course) and not in a doctrinaire way, into the area of human services where increasingly people want to exercise choice. Why? Because our needs and preferences are widening all the time.

It might have been a different matter for my grandparents who'd been raised to expect a certain thing and who came from a certain ethnic background and had a certain upbringing. But the community today doesn't look like that of my grandparents, bless 'em. It's extremely diverse and therefore it needs a system which is much more adept to meet a widening set of preferences and tastes and needs. That's what underlies this recommendation.

- Introducing government procurement and privatisation.<sup>10</sup>
- Thinking more carefully about intellectual property<sup>11</sup>, particularly in the context of trade agreements that we negotiate as a country.
- Reforming transport systems<sup>12</sup>:
  - Cost-reflective road pricing<sup>13</sup>
  - Abolishing sea and air cabotage<sup>14</sup> which sees international airlines flying right across our great country, in many instances half empty because they can't fly people from Sydney to Darwin and yet they're going that way anyway. Those sorts of rules we recommend be changed.
- Introducing competition into planning and zoning rules<sup>15</sup>, and
- Finishing the reforms that were started 20 years ago (under Hilmer) for electricity, gas and water.<sup>16</sup>

Even though Hilmer is 20 years old, it's still not true that all of our countrymen around Australia have the sort of choice of electricity retailer that we enjoy here in Victoria. People say to me, "Oh well, it's not really important." But try taking that away from Victorians. You try telling them, "Forget it – you don't need choice of electricity distributor. You don't need choice of mobile phone plan, or supplier of your Telco services, you can just have one", and see what happens.

Why should the rest of Australians, at least in those jurisdictions where these situations don't apply, be denied those same choices?

In the area of the law, these are the key recommendations you'll find:

- Section 46 on removing price signalling provisions that were just specific to banking<sup>17</sup> – we didn't see any reason why that should be the case. We do believe that can be picked up under 'concerted practice'.
- Section 45, more streamlined merger processes.<sup>18</sup> Concentrating together the former roles of the ACCC and the ACT, the Australian Competition Tribunal, to make that easier to work with, simplifying the laws and extending the coverage of the law to trade in commerce, as I indicated.
- In the Competition Institutions<sup>19</sup>, someone said, "Oh well, you want to introduce these new regulators at a time when the government is trying to get rid of regulators", but that's not correct.

Our proposal for an Australian Council for Competition Policy (ACCP) is a replacement for the National Competition Council (NCC) which served a very valuable role at the time of the National Competition Policy. We want an institution which will drive these reforms forward in the same way that the NCC did. So this would replace the NCC.

We have a number of differences: one of which is that the NCC was a Commonwealth body, was a different era. This new body would be a truly national body, that is to say it would be constituted and answerable to all of the jurisdictions jointly, in order to make sure that the jurisdictions, the states and territories buy in to these ideas.

It's a different era from what it was when Professor Hilmer and the others were reporting 20 years ago: they needed buy-in; they needed influence; they need responsibility and accountability; and that's how we've designed the ACCP.

The Access and Pricing Regulator the APR: that's the Australian Energy Regulator carved out of the ACCC and given a broader remit, not just for energy but also for Telcos.

In fact, for any network industry, which might even include overseeing road pricing, network industries would become more important, not less. That is one of the outcomes of the digital revolution: networks become important.

We want a regulator which is focused on how you regulate those types of industries where access and pricing issues are important.

- Finally, we adopted a more simplified proposal for resolving what we thought was an issue that needs to be dealt with in the ACCC.

The ACCC (in the view of the panel) has too little separation between the governance of that organisation and the role of the commissioners, and the day-to-day management of the ACCC's affairs.

As with other organisations, we'd like to see greater separation between the governing body and the day to day management of it. We have recommended that half of all the commissioners be appointed on a part time basis, to give at least a much higher probability of that working out in practice.<sup>20</sup>

- There are some brief recommendations here about small business. They're there because the terms of reference asked us to think about the specific situation of small business.

I simply make the point that many of the recommendations in the final report will work for small business. You can just go through and draw a line from a number of recommendations straight through to small business.

Things like Section 46: if the government were to implement it in the way that we recommend, we believe it would assist small business – granting them better access to remedies by: pointing small businesses to alternative dispute resolution schemes which already exist; promoting the development of industry codes; improving collective bargaining and collective boycott activities.

Many of these things are already there but they aren't understood well enough, or the paperwork that's required to engineer them is clunky. So we've recommended that they be tuned up to facilitate small business in it's dealings with large business especially, and then of course improving the competitive utility complaints process.<sup>21</sup>

- So finally we come to implementation (*Part 6*). This is a new area for the final report; there were no comments about implementation in the draft.

There is a chapter of the final report dealing with implementation issues. It makes a point that I've already made: that many of these recommendations could be implemented unilaterally. It doesn't require multilateral agreement, as desirable that may be.

Naturally, there would be benefit from a national approach – cooperation and collaboration, particularly on trials and pilots. Some of these ideas use one of the strengths of the Federation: that you can start pilots and trials in certain jurisdictions for the others to watch and see what happens, and then to adapt the results of those pilots and trials to their own circumstances. That's using the Federation to perform one of its strengths. We are different in different parts of the Commonwealth, so use that. And many of the reforms build on momentum that's already been established.

- In the final report you will also see a road map.<sup>22</sup>

Once more we're very keen to ensure that people don't think of these as a bunch of theoretical proposals. Here is a list which indicates how you could prioritise them: which levels of government are responsible; what sorts of time frames you might be looking at; and what the first steps would be in every case. We prioritised; we provided timelines; indeed, we've even gone so far as to prepare model legislative provisions with the assistance of some others to get us to that point.

You will also find in the final report (if you happen to have a look at it), the actual draft model law.<sup>23</sup> So you needn't say, "Well, that's all very well in principle. I'd like to see what that looks like in black and white when it hits the statute book."

Well, take a look. We've already had that discussion and in there you will see model provisions. This isn't to say, of course, that if the government decides to adopt these proposals, it won't hand them to the drafts people and we'll end up with whatever the government drafts. The reason for putting that there is to help people focus on the practicability of these ideas.

Well ladies and gentleman, this final report has now been handed to government.

The government has decided to engage in further consultation about the ideas put forward in this report for eight weeks, and if you haven't already done so you can have your chance to comment on what we've said by making representations. The Minister has indicated that the government will respond to the report later this year.

My colleagues (on the panel) and I believe that we have fulfilled the terms of reference that were given to us by the Minister. We spent a year of our lives working on this. We're very proud of the work that we've done.

We're not suggesting of course that we're right in every respect. What this represents is the opinion of four Australians who have had the benefit of input from a much larger set of Australians, and of thinking about these issues for a year.

We commend the final report to the Australian Government.

Thank you.



---

**Endnotes**

- 1 More information on the Competition Policy Review Panel is available at: <http://competitionpolicyreview.gov.au/review-panel/>
- 2 Professor Fred Hilmer, Chair of the Review Committee, 1992 National Competition Policy Review Available at: <http://www.australiancompetitionlaw.org/reports/1993hilmer.html>
- 3 The Competition Policy Review final report Available at: <http://competitionpolicyreview.gov.au/final-report/>
- 4 See Recommendation 18, available at: [http://competitionpolicyreview.gov.au/files/2015/03/Part2\\_final-report\\_online.pdf](http://competitionpolicyreview.gov.au/files/2015/03/Part2_final-report_online.pdf)
- 5 See Recommendation 21, *ibid*
- 6 See Recommendation 30, *ibid*
- 7 See Recommendation 37, *ibid*
- 8 See Recommendation 51, *ibid*
- 9 See Recommendation 2, *ibid*
- 10 See Recommendation 18, *ibid*
- 11 See Recommendation 6, *ibid*
- 12 See Recommendations 3, 4 and 5, *ibid*
- 13 See Recommendation 3, *ibid*
- 14 See Recommendation 5, *ibid*
- 15 See Recommendation 9, *ibid*
- 16 See Recommendations 19 and 20, *ibid*
- 17 See Recommendation 29, *ibid*
- 18 See Recommendation 35, *ibid*
- 19 See Recommendations 43 to 50, *ibid*
- 20 See Recommendation 51, *ibid*
- 21 See Recommendation 53, *ibid*
- 22 See Part 6, available at: [http://competitionpolicyreview.gov.au/files/2015/03/Part6\\_final-report\\_online.pdf](http://competitionpolicyreview.gov.au/files/2015/03/Part6_final-report_online.pdf)
- 23 See Part 6, Appendix A, *ibid*

> RELEASE OF *ADDRESSING  
ENTRENCHED DISADVANTAGE  
IN AUSTRALIA*

> 29 APRIL 2015

> ADELAIDE



## Education to empower disadvantaged young people

Anne Hampshire

Head of Research and Advocacy, The Smith Family

“We get our best returns on investment when we invest early and keep on investing throughout a young person’s life,” Anne Hampshire told the audience at CEDA’s April 2015 report launch of, *Addressing Entrenched Disadvantage in Australia*.

This speech highlighted that disadvantage is not just a social issue and Ms Hampshire outlined the economic benefits of addressing disadvantage early, providing the example of The Smith Family’s successful *Learning for Life* program.

This program helps children right through their education years from pre-school to Year 12 and even university, significantly improving their educational outcomes and job prospects.

There are 1.5 million Australians in poverty, and more than 500,000 of them are children. And we know that the longer anybody remains in poverty, the greater the impact.

So my particular focus today, as you'd expect from The Smith Family, is going to be: How do we help those children in disadvantaged families to succeed educationally and move on beyond their early circumstances?

The Smith Family in the contemporary 21st century is solely focused on education. We are a 93-year-old organisation and historically, we delivered things like emergency relief, which is incredibly important work. However, 20 years ago we looked at the research about the importance of education and we also listened to our families, the families we'd been supporting through emergency relief. We asked them what more we could do to help them. They said, "The thing we're really struggling with is supporting our children's education".

By combining what the research was saying and what our own families were saying, 20 years ago we began the evolution of the organisation to now having its sole focus on supporting children's long term educational participation.

### The importance of education

All the data in Australia and internationally, shows that education is a key predictor – positively for employment, positively for health, but conversely for welfare dependency, and we could also add prison incarcerations. The higher your education level, the more likely you are to be in employment and the less likely you are to be on welfare. The data is very clear across the country and, in fact, across the globe.

All of us know, as we've developed skills over our lives, that they're cumulative: you learn A and that leads to B, and that forms stepping stones to C, etcetera. So if young people are behind at the start, many of them continue to fall behind. There's clear evidence in Australia and internationally that a failure to complete Year 12, or its equivalent, really increases the likelihood of long-term economic and social disadvantage, and those two go hand-in-glove.

We know that employment markets are increasingly looking at knowledge, skills, and innovation, and we've lost a lot of those lower skilled jobs where young people in the past would easily slip into.



Australia's economic and social prosperity unquestionably relies on us being able to realise the potential of all young Australians. We recently had the latest Intergenerational Report, which flagged what we all know: ours is an ageing population and we have increasingly competitive international partners very close to us.

But, there's an equal social dimension to this entrenched disadvantage: if the young people in our communities are not flourishing, then there tends to be a breakdown in social cohesion. So it's in all of our collective interests to fix the situation.

So, how are we doing, educationally? When we look at the data across Australia in the very first year of school, one-in-three children in our most disadvantaged communities are behind when they start school: they're behind either in literacy, or numeracy, or social skills, or communication skills, or physical skills. One-in-three of them.

If we look at children's numeracy skills – at the NAPLAN data – there's a 10 per cent gap in Year Five between how children from affluent and non-affluent families do. If we look at Year 12 completion, there's at least a 10 per cent gap between who does well and who's not doing so well in terms of the affluence of their family backgrounds.

I think the most compelling one for us is post-school engagement. By the time we get to 17–24-year-olds in our most disadvantaged communities, two-in-five are not fully engaged in education, employment, and training. And we know that the 17 to 24-year-old period is an important window for setting up young people for their long-term economic and social participation. If you miss that window, the research shows it becomes harder and harder to re-engage people in education and then for them to find a footing in the employment world. We've got a long way to go.

And that gap between high income and low income families is worse here than it is for comparable countries like Canada. So we can do better.

## The influences that matter

What influences young people's outcomes? There are multiple influences. Think of your own life, about what you had as a child, your aspirations, your intelligence, your friends. Think about the context of your family, your peers, who you went to school with, where you live. It all makes a difference.

If you think about the school that you attended, that makes a difference. Is this a school which believes that everyone can thrive; that most young people in this school can go to Year 12? Or is it a school that subtly (or not so subtly) thinks, "Kids from here don't go to university"? Those are all very important influences on young people and, so too is the community where a young person grows up. These attitudes have a significant influence.

Early intervention can mitigate risks or even prevent problems from potentially emerging later on. And early intervention is not just early in life. I think a good example of that is if you think of an older person who's living at home and starting to get a little bit frail, so you install a bar in the bathroom so they don't slip. That's actually an early intervention; you're trying to mitigate a risk. It's exactly the same with young people.

Yes, early life is important – those first early years – but also providing the right support if and when problems start to arise. If there's a person at school who's starting to be bullied, that's an opportunity for early intervention. If a young person is slipping behind in their reading, that's an opportunity for early intervention. All the research shows that early intervention is the most cost-effective approach rather than waiting until we have a manifest problem later on. It's much easier and much cheaper, for example, to try and improve a young person's literacy and numeracy than trying to support an adult who hasn't learned to read acquire those skills and move on into employment.

Some of the work of Nobel Economist James Heckman is important for us. He says that you get the best returns on investment (he's an economist so he uses ROI), the best returns on investment for disadvantaged young people are achieved when there are balanced interventions across their lives up until early adulthood. Yes, the early years are important; yes, adolescence is important; but the data is very clear. It's a balanced intervention, rather than just focusing on either the early years or the adolescent years, that will give the best returns.



James Heckman says simply, “Invest early and keep on investing throughout a young person’s life”. And he’s actually talking about the same quantum of investment: if you’ve got a hundred dollars don’t put all of it into the early years, don’t even split it between the early years and adolescence. Spread it across that young person’s life and his data shows you’ll get the best returns on Year 12 completion, university, welfare reduction, and in fact you’d also save on prisons.

Based on all of that research, The Smith Family has for the last 15 to 20 years, been developing the *Learning for Life* program which I’d like to share with you as an example of a program that can make a difference, and some of its key elements.

### The Learning for Life program

There are three components to *Learning for Life*, underpinned by parental and community engagement. This is very much a partnership with the families, but also with schools; other community organisations; business; governments; and philanthropy.

The three components are: firstly our financial support. This is very modest financial support – we’re not talking about hundreds of thousands of dollars, or in fact thousands of dollars. It’s roughly \$400 to the family per year in primary school and \$700 in secondary school, that goes to help the family with education-related expenses. It might be uniforms, excursions, or books.

Then there’s a relationship with a *Learning for Life* program coordinator – a long-term relationship. And there’s also access to programs from the early years and also right across into tertiary education. For example, our families can experience early numeracy and literacy programs, *Let’s Read and Let’s Count*, and then, in primary school, shorter term programs get laid on, such as *Student to Student* – a reading mentoring program for someone who’s falling behind.

Then, by the time we get to secondary years, it’s *I Track* which is a career online mentoring program. So it’s the balanced intervention that Heckman was calling for, plus the small financial contribution, plus the important long-term relationship.

I think the research on parent engagement is one of the most hopeful opportunities for the nation. Parental engagement is so important. If we help families, no matter how disadvantaged they are, to engage in their child’s learning, it is a far bigger predictor of how a child performs than the fact that they’ve

come from a disadvantaged family. That means we can change destiny. It means that if you're born into a disadvantaged family you don't have to be there forever. Your circumstances can change, and critical to that is supporting families to become engaged in their children's learning.

Students with engaged parents are more likely to do well at school, to graduate from school, and go on to higher education. For those of you who have children in their adolescence, don't imagine that this is the time when you should stop being engaged in their learning. The research is very clear. I know it's harder in adolescence, but the research is very clear: start early and remain engaged in your child's education and they'll get much, *much* better results.

Parental engagement in learning is one tool that can help close the gap – the achievement gap that we all want to close between children of different socioeconomic backgrounds. That's why, for The Smith Family, parental engagement is key to our approach to helping children and families.

### The long-term view

Another of the challenges for Australia as a nation, and for many not-for-profits including us, is that there are lots of pilots and lots of short-term funding out there. Yes, we get great results but then the funding disappears.

What The Smith Family has decided to do is really focus on Learning for Life, really try to see if it works, and if it does, to scale it up. At the moment we're supporting 34,000 students across Australia from about 18,000 families in about 94 communities. It's a place-based approach. It has to be place-based in terms of disadvantage.

They're all low income families who have a healthcare card or pensioner benefit. Five and a half thousand of them are from Aboriginal and Torres Strait Islander backgrounds; 68 per cent of the parents are not in the labour force, are unemployed, and very few have finished Year 12 themselves; 60 per cent are sole parents, particularly mother-headed families. So these are the indicators to suggest that the children are in danger of having poor outcomes. We've done some work to see how our students compare with their peers' situations and the data's very clear. We've done the analysis and confirmed that our students are more disadvantaged than their peers in the same school, even in disadvantaged communities. That's important for us to know we are supporting those children who really need our support.





And, also importantly, of our secondary school students, more than half of them have been with the program for five years or more. Through the long-term relationship and with great work on the ground, it is possible to really engage families and improve results over the long-term.

So what are we measuring? It's been really important for us, particularly over the last couple of years, to identify a small number of outcomes that we are going to track over time. We've opted to measure three educational outcomes: school attendance; achieving Year 12; and becoming involved in post-school education, employment, and training. All the research says that you need to be attending school at high rates to achieve well and to also go on to Year 12. If you achieve Year 12 you are more likely to then be involved in employment, education, and training. Hence, these are the very concrete and important outcomes. There are also the outcomes that COAG, the Council of Australian Governments, are tracking for each of the states and territories.

The research also shows that people who finish Year 12 and are in employment tend to be healthier and happier. So we are not overlooking the very positive, softer outcomes associated with this.

### How well is the program doing?

So how are we doing? *Learning for Life* 2013 average school attendance rates are at 91.3 per cent: this is the average attendance rate for our primary school students. It's 86.9 per cent for our secondary school students, and 87.3 per cent for Aboriginal and Torres Strait Islander students. Importantly for us, these are year-on-year improvements since 2012. We are actually actively using the vast amount of data available to think about how we can improve, how we can better support those children who are struggling.

Bear in mind, also, that these families and these children are more disadvantaged than their peers. So I think a former Treasurer would say they're a very fine set of numbers.

We want to know what are our young people doing once they leave the program, so we ask our students who leave in Years 10, 11, and 12, what they are doing 12 months down the track. We weren't sure that we would be able to find them because these are highly mobile young people, but we were recently able to interview 1100 of them.

Overall, 84.2 per cent of those young people (or four in five) are actively involved in employment, education, or training 12 months after leaving the program. Of the other 15.8 per cent, the vast majority (80 per cent) were actively looking for work, and one in six of them were volunteering. So this is a really positive result from our perspective. And equally positive is the data that shows how well our Aboriginal and Torres Strait Islander young people are doing: 74.2 per cent of them, that's three in four, are actively involved in employment, education, and training. Again, those not yet engaged are looking for work or volunteering.

From a public policy perspective one of the most salutary things about the review of school funding was the data that was compiled on the vast number of education programs the Commonwealth, and the states, and territories had been investing in – conservatively estimated at 4.4 billion dollars a year. The review aimed to assess the impact of the dollars spent for improving educational outcomes for disadvantaged young people – Aboriginal people, people from low socio-economic status, and to some extent children with disability.

It concluded that we couldn't tell. As a nation, we couldn't tell with any precision what impact the 4.4 billion dollars had made, largely because there had been little evaluation of most of those programs for a whole range of reasons. Also because the evaluations that had been done, had not focussed on student outcomes. You might wonder what else you would focus on.

It was really important to us to identify this. As a nation, we need to get better at evaluating our impacts – better in terms of public accountability and in terms of how we're spending our dollars, but most importantly for us at The Smith Family we need to identify the difference we're making in the lives of the children and young people we work for. We have to make sure that at the very minimum our programs are not doing harm, and more importantly that over time the outcomes are improving.

I think that governments across the country are increasing their focus on evidence and on data. That's why, at The Smith Family, it's incredibly important that we're following the 34,000 young people over time. Because we feel a moral obligation, and I use that language very deliberately. We have so many young people over a long period of time, and there's so little research about what makes a difference in the education space, we are using this data to improve our own programs but also to inform public policy.

More work in this evidence space is incredibly important if we're going to, not only, spend our public money wisely, but also address entrenched disadvantage.



## Concluding remarks

In summary, there's overwhelming evidence.

You would know from your own experience the importance of education for economic and social outcomes. For many children, the data is very clear: living in disadvantaged families puts them at risk of poor outcomes. And the data is also very clear that many children who are behind when they start school will continue to perform poorly all the way through. That's a very unjust situation for those children, for their families, and also for the whole community.

Background, however, is not destiny. It's incredibly important to acknowledge that we can make a difference. That is unquestionably the experience of The Smith Family.

Parental engagement is absolutely critical, but so too are partnerships – cross-sectoral, cross-jurisdictional, involving non-government organisations, governments, philanthropy, and business.

I think it's fantastic that CEDA have addressed this important social and economic issue. And together I think we can and must work together and make a difference to entrenched disadvantage.

Thank you.

> WOMEN IN LEADERSHIP

> 4 JUNE 2015

> ADELAIDE



## The importance of women becoming leaders

Professor Gillian Triggs

President, Australian Human Rights Commission

After the tabling of *The Forgotten Children* report, Gillian Triggs has said that 2015 became the most difficult year of her professional life, when she was targeted by the Abbott government and some media in a campaign to discredit her and pressure her into resigning her Presidency of the Australian Human Rights Commission.

Professor Triggs spoke of what drives her as a leader, and how crucial it is that more women step up to the leadership plate. After the event, she was publicly labelled “a disgrace” over her response to a question taken out of context.

In December, Fairfax Media’s *Daily Life* declared her 2015 Woman of the Year for what readers saw as her “integrity”, “grace” and “dignity” throughout the episode.

I'd like to talk a little bit about leadership – the importance of stepping up to leadership being fundamental to achieving a genuine equality.

The traditional goals of equality, of opportunity and financial benefits, more flexibility in work and accessible child care, equal representation, and government business and the arts are being achieved in Australia but, unfortunately, at a disappointingly glacial pace.

In short, something is going very badly wrong and I'd like to talk to you about that today.

I have been asked to speak about my own experience as a lawyer before considering our global standing on gender equality, and some of the strategies that we might use to achieve more meaningful advances for women.

## Early years

I've really had a privileged and wonderful legal career in law, graduating in 1967.

I learned to love the law. I love to read the cases. I love to know what the judge's analysis is, and to consider whether I agree with that analysis. I like to read the statutes and to understand how the law is developing to achieve social good, and how the rule of law operates at a cultural level as well as a technical legal level.

I have spent a lot of my legal career on my own. Like a lot of people who begin as academics, you spend it actually on your own writing books that not a lot of people read.

But one of the things that's driven me in my career, and I imagine it's true of many of you, is that what you're often looking for is not leadership – but the good repute and the good opinion of your colleagues in your field. In nearly 50 years, that has been one of the most important aspects and one of the most enriching aspects of my career: that I can work with my colleagues in law and have their respect.

So of course it won't come as a surprise to you to know that the recent notoriety that I've achieved – my 15 minutes of fame if you like – has been a very distressing period in my career. I've had to be a little reflective as to how this has happened and how I'm trying to deal with it.

I don't pretend to have any answers or any magical solutions as to how one deals with this but I do certainly believe that these things happen as a consequence of many, *many* years of advanced work. I feel a bit like one of those TV stars who, after 35 years of hard work, is suddenly deemed an instant overnight success.

I have been a very quiet and modest international lawyer, loving my career for a very long time before stepping up to a leadership role with the Australian Human Rights Commission, and finding myself in the current position that I've been in.

I very much support the Cheryl Sandburg view that women need to lean in, to step up and be counted. I very much agree that women should be proactive.

But, what happens when they are proactive?

In my case there was quite a furore. Something like 80 newspaper cartoons were produced over the period.

In one, for example, I'm asking, "What about the children?" And the answer from our Prime Minister was, "But, what about the politics?"

That of course was the problem and maybe a lesson to be learned. I very much came to this job as a lawyer. I read the statute and worked out what my job was to be. It was to hold the government to account for acts and practices which might be inconsistent with the international human rights treaties to which Australia is a party.

But I didn't give as much attention to the politics, to the impact of holding an enquiry into the detention for over a year of children on Christmas Island, Nauru and mainland Australia.

At one level, it was all quite amusing. But at another, it was of course very, *very* devastating because I have never been in the public arena in that way before. If I did speak in the media, it was always about something I knew a lot about. Basically I'd had a rewarding and quiet career that I had immensely enjoyed and it was extraordinary to have to deal with this kind of criticism for something I believed reflected what I should be doing as a matter of good faith in complying with the law.

## Leadership is not for everybody

One of the first points that I'd like to make is that leadership isn't for everybody. And of course leadership does imply that someone's going to follow you. Not everyone can be a leader and not everybody wants to be a leader. Why would you want to be a leader?

Somebody I looked at and certainly admired for a period in my life was Margaret Thatcher. She was very well known for her pithy aphorisms, "This lady is not for turning." And, "In politics, if you want something said, ask a man; if you want something done, ask a woman." She polarised responses on political issues, philosophies and economic policies but never because she was a woman. She never played the misogynist card. She was never a victim because she never considered herself to be one. When asked what it was like to be a woman prime minister she famously remarked, "I've no idea because I've never been a man."

Love her or hate her, Margaret Thatcher appeared to be supremely confident and in control with no self doubt, no anxieties or complexes about being one of the most powerful political leaders in the 20th century.

But what can we learn from her life and leadership? Perhaps some of you are thinking as I'm saying this, "Well, perhaps Margaret Thatcher was actually a poor role model: a life lived without self reflection or doubt is not a life worth living."

Leadership for its own sake, for ego or vanity, is not the point. Rather we should all make decisions that are legally, morally, and ethically the right ones, with humane consideration of their effects on others.

In talking about leadership, I think we do have to ask ourselves, "Why do you want to be a leader?" And, "What do you think you can achieve that's beyond your own ego or advancement or ambition?" Because I think if you go into leadership for those reasons you will ultimately fail: it won't be a very satisfying experience and it won't be much good for your fellow members of communities.

But, why should women become leaders?

I think you're all very familiar with the sorts of reasons. We're over 50 per cent of the population. We're a terrific talent pool. We're capable of good original thinking and problem-solving. The Harvard Business School is coming up with research that suggests that women overall are actually better respected as leaders. The business case is a very strong one for ensuring that women have a higher leadership role.



But, what are the real reasons? One of the reasons is that power can equal outcomes.

If you're a leader who does have the motives of good faith and ethical responsibility, you can influence and you can control. You can ensure that goals are achieved. You can gain personal benefits, but basically you can achieve good outcomes for others. If you're not prepared to lead, it's very hard to control and influence those outcomes.

While many of us will tell stories about what our particular journeys have been as leaders, one of the things I think we need to talk about a little bit more to younger women is why you would want to be a leader – because it does enable you to achieve the things you want to achieve.

Now, when you're younger of course you don't always get the opportunity for leadership. Most of us are still learning – we're learning to work in the professional environment, we're learning to work in a team, we're learning to use our skills and we're still developing our skills.

It's not until the years start to go on that you have the opportunity to join a committee, or chair that committee, and bit by bit you start to understand that you have the potential to be a leader. But I think that's when some self-reflection is required – not just ambition. You need to think about why you want to do it and what sort of contribution you can make.

Let's look at a few familiar statistics, which leads me to my question: What is going wrong and what can we do about it?

### The challenges

- We know about the gender pay gap. It's still high at 18.8 per cent for the last 20 years. And it's particularly high in some industries, financial and insurance for example.
- Within the Australian Stock Exchange, 200 company boards have only 20 per cent of women on them, and only 16 women were appointed to those boards over the last year. Thirty per cent of boards in the top 200 companies contain no women at all.

The Institute of Company Directors has adopted a target of 30 per cent women on boards by 2018. And maybe that will be affective because we know that the 30 per cent target is something of a tipping point: once you get to 30, you have a critical mass and a better chance of getting women into line positions, and ultimately into policy and executive positions.

Only 17 per cent are CEOs, 27 per cent are senior executives. One of the curious things is that we have a small number of women in Australia who hold multiple directorships. Men might hold one or two or three but women might hold four, five and six and they're the same group of women over and over and over again. It's a very interesting phenomenon. It's as though the boards are comfortable with certain women who have established their reputations, but not so keen to spread that to other women.

- But now let us look at our international rankings. Australia stands behind Rwanda, Nicaragua and the Philippines on many of these statistics. We have slipped over the last few years from 15th in the Global Gender Gap Index in 2006, to 24th today.
- And we have some absolutely extraordinarily disconnected statistics. Australian women are number one in primary, secondary and tertiary education. And they are number one for the level of earned income when they get the income.

But then, we are 53rd in political empowerment (and I don't think I need to remind you of that). And we're 63rd for wage equality for similar work, and 51st for our participation in the labour market.

What appears to be happening in Australia (and I don't know that this is happening to the same degree anywhere else in the world) is that we educate our young women but we're not seeing the outcomes. We have a serious disconnect between an educated generation of women coming through, but we're not seeing them achieving in terms of political influence, nor in the work environment.

I think we have to start asking, "Why is this happening?" and "What more can we do to reverse this declining trend?"

Clearly there isn't a trajectory to leadership. We need to look more carefully at some of the issues that the Grattan Institute, for example, has raised – the problems of tax disincentives and lack of affordable childcare. We may see some changes in the next year or so as new policies come into existence.

### You can't be what you can't see

Leadership for women does require that we see women in leadership positions. You can't be what you can't see. There are some quite remarkable leaders in Australia, but there are surprisingly few of them. One example is Sharan Burrow who was the head of the ACTU for some time. She is one of the most senior women in the Union movement. I don't know whether many

of you saw the recent Foreign Correspondent's report: She's rather topically, and illegally, in Qatar, looking at the condition of workers there as they prepare for the FIFA Games in 2022.

We do have some very interesting women; just too few of them.

We also have some self-help books.

- One that I remember as an 18 year old was Virginia Wolfe's *A Room of One's Own*, on the importance of economic independence. And I urge you to go back and read it if you haven't for a while.
- There's Anne Maree Slaughter at Yale saying *Women can't have it all*. I don't know whether we agree with it.
- *Nice girls don't get the corner office* by Frankel. I happen to have the corner office as a matter of fact but I hope that doesn't say anything about me.
- And then Cheryl Sandburg's *Lean in: Women, work and the will to lead*.

Should women get out more? Should we take more risks and responsibilities? Should we be more engaged? Should we stop claiming victimhood (even though we are)?

Should we stop complaining? I'm reminded of the Queen Mother who is reputed to have said, "Never explain, and never complain: just get on with it". Is this the right way?

Let me give you an example of the 'stepping up' philosophy. A couple of years ago I was invited to be on the New South Wales silk selection process. Those of you who are lawyers here today will know that to be a QC or a Senior Counsel (depending on which state you're from), is one of the most important recognitions of your skills as a lawyer. Very few women ever get up as Queens Counsel.

The year that I was on this panel of men – and I should say it had nothing whatever to do with me – there were hundreds of applications for QC status. There were a total of 26 successful applications of which nearly 50 per cent were women. It was an extraordinary, unprecedented year, then or since.

What we noticed was that the women's applications for that particular year were extraordinarily strong. Most of those women should have applied many years beforehand, but they hadn't. Instead, they'd waited until they were absolutely certain that they were going to be appointed because they didn't want the committee to say, "You're not up to it this year, but try next year."

Women don't want to be perceived to have failed.

## Women don't want to be knocked back

Unfortunately, it's a rather public process becoming a silk. It requires the respect of your colleagues, and so your colleagues know you've applied. And if you applied for one year, and two years and three years and you still haven't got it, it's well known in the profession that you haven't got it. But these women had waited until they were absolutely certain they were going to get it, and they did.

Equally, hundreds of men failed in that year because they produced applications that were several years in advance. Talented, good lawyers – they were going to get there in the end – but they were putting their hat in the ring, two, three, four years before they had really reached the level, even maybe only 60 per cent of the way.

It was a fascinating exercise. My colleagues on the committee and I agreed that this was a phenomenon that women need to address a little more – that they are very slow and very reluctant to take the knock backs. They won't put their hat in the ring. Instead they'll wait until they're absolutely certain to get the result.

Whereas I suggest, that we do need to take more risks. We do need to get out there and say, "Well, I may not be 100 per cent there, but I'm just about there and I'm going to back myself. And I'm going to put the application in. And I'm going to tell the world that I want to be a QC or I want to be a surgeon (if that's what we're talking about). That's my goal. That's what I want to do".

Or, "I want to lead on an issue so I'll put my hat in the ring. I'll put my hand up and I'll take the risk, even if I'll get knocked back for one or two or three years."

You're actually going to get there in two or three years because you have made it plain to everybody that you want to get there and people will help you build the skills to achieve it.

## The strategies for success

What are the strategies for women to improve leadership opportunities? Or, what are the strategies for everyone?

1. One is to build the business case.

Obviously, at the Australian Human Rights Commission we come from a Human Rights Law perspective. We deal with discrimination against women. And you might be interested to know that the majority of the



cases we receive, of the 21,000 for the Human Rights Commission, two thirds arise in the context of employment.

So when Virginia Wolfe talked about the importance of economic empowerment for women in *A Room of One's Own*, she knew very well that for women to really progress you had to have equal access to work. And that's where much of the work of the commission is engaged – in working with business to ensure non-discriminatory and non-stereotypical approaches to work. So we need to build the business case.

2. We need to build confidence to step up.

And that can be through mentoring, or working with other women to help them to build the confidence to put the applications in – to build their strengths and to back themselves.

3. And of course much of that comes back to education.

It is critically important that women understand their own potential, and have confidence in that potential.

4. But of course one can also use the law.

The business case I think is very well made. The Grattan Institute has been producing research which demonstrates, from American work as well through Goldman Sachs, that a six per cent increase of women in paid work will lead to a \$25 billion increase in the national economy each year. The waste from not employing women is huge in our economy.

In these more uncertain economic times, I think it's absolutely crucial that government understands the importance of a much more diverse workforce. We've had very interesting public debate now about encouraging small businesses. We have a project at the Australian Human Rights Commission on ensuring that older Australians and Australians with disabilities are not discriminated against in the workforce. So the emphasis has been on diversity. But that diversity must include women – they bring a much broader talent pool and bigger markets.

Using the law is not always a positive thing. You need the law as a foundational strategy but basically the work of the commission is based on conciliation. In the context of gender, for example, how do you get the parties to agree to comply with the Sex Discrimination Act?

Liz Broderick and the commission staff have done some very important research on the extent to which pregnancy is still a problem women face in employment. When I did my degrees in the 1960s, I never imagined in those

exciting times that, in the second decade of the 21st century, we would still be finding the shocking statistics on the extent to which women are discriminated against on the grounds of pregnancy.

It is still the case that a young woman can mention to her fellow workmate that she thinks she's 12-weeks pregnant but that it's a secret. Nonetheless, it quickly gets around the office. Suddenly, this office is being restructured and reorganised and she's got herself a casual job. Or worse, a situation in which there's no place for her.

Now I didn't believe when the commission started this research that this was actually still happening in modern day Australia. But it is. And we have to call it for what it is – recognise it and work to change attitudes in relation to employment discrimination.

### Concluding remarks

I have really stuck very much to the concerns of women in the workforce, and the difficulties that can arise with leadership. But basically the message that I really want to give you is just how important leadership by women is – how rewarding it is, how important it is to place women in a position where they can influence outcomes and achieve the outcomes that they believe we need to work for.

So I think we have to support each other. And the support of our Male Champions of Change is proving to be enormously important. Men still do carry the political and economic weight in our community and it's very important that those men understand the problems of inequality and how hard we have to work to end the stereotypes.

Perhaps I could finish with something that I have learned about leadership: the enormous importance of being a little lighter in one's discussions – a little bit of humour.

In the middle of working on the children's report, travelling to Christmas Island on three occasions and to all of the other detention centres all over Australia, we became very concerned about the children – in particular the babies who were born in Australia, but who were defined under the citizenship and migration acts as having come to Australia by sea.

I will always remember standing in the 45 degree heat of Christmas Island talking to a young mother who'd just returned from Brisbane having produced her baby – in this case baby Farouk whom you may remember. She was asking me to explain why she was not able to apply for citizenship for her son.



I said, “There’s now what’s called a ‘deeming provision’ in Australian legislation – that your child is ‘deemed’ to have come to Australia in a leaky boat across the Java Sea to Christmas Island.”

And she looked at me in total and complete dismay because she knew perfectly well that her child had just been born in Brisbane. I tried to explain this to her and it was a very heart-wrenching situation.

Then a few nights later, I watched the Micallef program (the comedy program on the ABC<sup>1</sup>) and I realised just how clever comedians can be.

Micallef talked about the shocking circumstance in which baby Farouk had, “hidden in his mother’s womb for nine months only to jump the queue by being born in Brisbane and thereby lose the right to become an Australian citizen”.

And I realised that, in just one little item on the Micallef program, he probably brought millions of Australians with him. Whereas, the work that we do in the report and the evidence, was much slower to attract the same kind of commitment.

So I guess the message is: there are many ways of appealing to the humanity of Australians – appealing to what has made us such a successful multicultural society – reminding people why we need to open our minds a little, and our arms certainly, to take a more humane approach to migration policy. And particularly why we need to help those who seek our protection through asylum seeker claims.

So thank you all very much.

---

**Endnote**

1 *Shaun Micallef’s Mad as Hell*, Season 5, 2015, Australian Broadcasting Corporation

> THE FUTURE OF  
INFRASTRUCTURE IN WA

> 4 JUNE 2015

> PERTH



## Infrastructure in the future

Dr Chris Luebke

Fellow and Global Director for Foresight, Research and Innovation  
Arup Foresight (USA)





This speech provided insight into how we need to start thinking about our cities of the future given the pace of change.

Dr Luebkehan spoke about how everything inconvenient will change – from balancing sprawl and densification; managing the risks of supply-chain fragility; and designing streets for people again, not for cars.

Dr Luebkehan provided a vision of what resilient, green cities of tomorrow could be, a new reality where participation is what shapes our world.

How many of you remember the movie, *Blade Runner*? With the wonderful flying car that came out in the '80s. Does anybody remember when that was supposed to be? Anybody know? It was supposed to be November 2019. How close are we? Mmm ...

After that, we had *The Fifth Element* with its flying vehicles all around the place: again an amazing movie for representing a city of the future, supposedly in the year 2263. And it's quite interesting to me, because I look at it now and I think, "Wow, this is very similar to the city, which was projected in the early 1900s about the future of New York".

So sometimes the visions become reality, especially when we're thinking about our urban infrastructure. Back when that particular vision of New York was created, the tool for communication was the typewriter. And how many of us have one of those at home?

It's quite phenomenal to think about what those screen artists thought life would be like in the future. Apparently, we were going to be floating around in floating cities that the Japanese were really into. And then in the '50s we were going to go under the ground, or cities were going to be 5000 feet underneath the sea, according to Jules Verne.

None of that really came to pass. And yet each one of them was a wonderful manifestation of a moment in time when people were searching for solutions to challenges we faced. It seems like we're at the same point now, globally – searching for solutions looking to the future.

And, who remembers Hal? For all those who were not around in 1968, Hal was the computer who sort of ran the ship in *2001 A Space Odyssey*. Do you remember the scene when John was talking to his daughter via the computer terminal? I think they were saying Happy Birthday, if I'm not mistaken.

Well, I've been travelling in this job for almost 16 years, and I now have a 15 year old and a 19 year old. When they were little, it was normal for me to talk to my kids through iChat. And now, they talk to me through video. But, when that film came out back in 1968, the typewriter was still in use everywhere. What a revolution it was to stretch the imagination, the fantasy. For me, I couldn't imagine the world it was showing us.

## What is the world that we cannot imagine today?

In my lifetime, your beautiful city of Perth has gone from 750,000 people to two-point-something million. That's 300 per cent growth. And can you imagine over the next 50 years continuing to grow another 300 per cent? Maybe you're thinking, only 50 per cent, or 100 per cent. But if Perth is the magnet that you want it to be, a centre where people are coming because they want to, what does it look like?

I spend about half of my life travelling around our beautiful planet, looking down at cities, and places and spaces we are crafting on our Earth to allow us to thrive. None of us in this room want to just survive. Surviving is \$3.00 a day. Thriving is what we want.

So what does it mean to have a city that is thriving?

One thing that I can tell you for sure is that change is constant. We cannot stop change. It is coming to us, and we can create change. We cannot gate it away, we cannot legislate it away, we cannot wish it away. Change is there, it is part of our contemporary vocabulary that is irrevocable.

The second is that the future is fiction. It is a story which each one of us in this room is writing about tomorrow. It is the story that we not only want, but we hope for; the story we are empowered to generate. As you move into your communities, as you move on from here, what is the story that we are going to tell about the Perth that we want, that we hope for? And then, how do you author that story?

Because participation is what shapes our world. You are shaping your world by participating here today. And just as lunch, when you chew it, it never goes back to the same size and same shape it started, so it is with your thoughts about tomorrow: the cities you create in your mind won't be the same as when you arrived.

## Everything inconvenient will change

When we're thinking about cities, we ask ourselves, "Why did they begin?" They began because it was convenient to come together for trade, to meet a partner, to take care of elders, to take care of stuff. The infrastructure reduced levels of inconvenience over time. That's the definition of convenience – it is fundamentally time, culture and place bound.

But, what was convenient for your grandparents, for the Elders whose land this was, for my children, for your children, is very different. And it's very important for us to understand and embrace the definitions as they evolve with time, to be aware of that changing context, to be open to it, so we are constantly understanding and redefining convenience.

If you would have told a bank teller 20 years ago that one day it would be more convenient to stand in front of a slot in the wall to get cash than to come to him or her, they would have laughed at you, right? But now we think that's pretty convenient, and it is. Who wanted to go to the bank between 10 and two in the first place?

These four statements I think are really quite simple, but they're the bedrock of so much of the work we do in my team:

- Change is constant
- The future is fiction
- Participation is what shapes our world
- Everything inconvenient will change.

As I said, I was born in 1961. The world was a very different place. The Sydney Opera House was being constructed – creating an icon that changed the world. You had an amazing light rail system (as did other cities) which was then removed and ripped out. VW Bugs were coming around. Jazz was rocking and Pan Am existed.

In 1961, Dubai was just a little elbow in a river where the pearls were starting to run out. Somebody had a dream, a vision. A man said, "We're going to do something differently". He wrote a story which then became real. Granted, okay, he had some friends who had a bit of cash, and he was the King. So there's a governance issue we've got there. And yet, through his vision, through his force of personality and his dream, he actually completely changed that part of the world.

Dubai within my lifetime, has gone from a sleepy corner to truly one of the connectors of the world, where now two thirds of the world's population lives within an eight-hour flight of Perth. They have realised a very different context, and they have taken advantage of that new context. It is an oasis in the desert. We can be horrified by many of the things around it, but we can also be amazed by its drive and its capacity.



You can Google photos of the Papal inauguration in 2005, and again in 2013. The big difference that is right in our faces is the little illuminations you will see – the screens being held up so thousands of people can take photos of what's happening. The one constant is the desire to be able to say, "I was there, I was present". And this is what people want in cities, in our communities: to be able to say, "I am here".

To focus on the human, to focus on the citizen is crucial. To focus on the spaces and places in this city, and now, in aggregate, they make Perth one of the most special places in the world. We need to be designing our cities and the future of cities for people – not necessarily for the infrastructure created over the years, whether it's the opera houses, the roads, the rail systems, the infrastructure, but to focus on what is it at a human scale that these people need and want.

### People are also changing

The face of Australia is changing. The face of Western Australia is changing, and of Perth, not only in numbers, but in sizes and ethnicities, and in ages. Where I work, for the first time we have four generations in the same office. The difference between an elder (a boomer who wants a glass box in the corner), and a 20-year-old who wants a leather couch with the radio going, is vast. The elder wants to be bothered about once a week, and the juniors want feedback about every 15 minutes.

It's the same in our cities. We have very different needs with these different generations. How can we recognise and embrace those different needs as the environment around us is changing? We are part of a large planet, part of a system that is changing, so therefore we need to be thinking forward because climate change knows no boundaries. So, what can we be doing to think ahead as we're designing our cities? Change is everybody's new normal. And our strategies must be robust.

Cities are fundamentally uncontrollable. We can plan, but they will be what they will be. It's sort of like for me as a parent: I'm doing the best I can with my kids, but now I have a 19-year-old who's launching out into uni and a 15-year-old who's doing his thing. I've done the best I can, but they are going to be who they will be.

And cities are the same. We can plan, we can be the parent, but they will be what they will be. Our job is to provide good rules, good boundaries, and to then allow this yeast to ferment, in a way which is sometimes unexpected. As in every batch of beer or wine, some of those barrels are good, and some of them are not.

Cities are full of people we will never know. And we also have to acknowledge that. The majority of Perth's citizens are not here, nor are they represented here. So how do we interface with these individuals, understand their needs and desires, and not just ours and our preconceived notions of what those individuals should have, or could have? It's a huge challenge that is being faced in cities all over the world.

And yet the city will know me. Your city knows that I'm here. Somebody knows that all of us are in this building right now. Because cities have ambient intelligence: our phones track us. All of us have multiple digital personae. That data is easily accessible, easily purchasable, and so therefore the city will know where people are. Actually, for the first time, just as we have the quantified self, we'll have the quantified city.

How many of you have a Fitbit or a Jawbone app or some other sort of device which is a kind of performance tracker? Yep, there's hands going up. I do too. This allows us to track our performance: how many steps we're taking; how high I go on my bike rides; the route of my bike ride and how fast I'm going. I can try to improve my performance on each ride.

It's the same with our cities. For the very, very first time, our transportation planners now know where people are. They know where they're going. They don't necessarily know why they're going from point A to B, but now they know where everybody's going.

Now, that's really fascinating – a truly quantified city. For example, you can purchase the data from Telefonica that reduces London down to quadrants. It knows how many people are in that quadrant 24/7, 365 days a year, as well as their age groups, ethnicities, and everything they put into their phone data. It is all purchasable. Now, that's really interesting.

Suppose you're in retail, for example, and you want to do a pop-up store in London. According to the data you definitely want to do it on Sunday at three o'clock in Princess Square. You don't want to do it at eight o'clock or nine o'clock on Thursday.

This is what we mean by the quantified city. The question then becomes, "If all of this is available, what would we want to do with it?"

Well, one of the things I'm really hoping we reach is performance-based design. So we're actually looking at the performance of this overall large asset that sits around us. How can we understand its performance and improve its performance? Or to use economic terms, to sweat that asset so it becomes better utilised and utilisable for all of us around the world – all of our citizens.



For example, most cars in a city are only used 10 per cent of the time: 90 per cent of the time they sit idle, being useless. Now, that's not very good use of an asset.

### In the future, we will have curated lives

If you use Amazon, it says, "If you bought this, you'll like this". This is a form of curation. Google Maps will say, "Take a right, take a left ... oh, you didn't go left. All right then, maybe go this way". This is about curating.

Again, whether or not you or I like it, the next generations love this curation. I tried to get my kids to put their phones down and have non-curated time, and it's really hard. In schools in the US right now they're having this whole program where the kids put their phones into manila envelopes and give them up for three days. And some of the kids are just amazed. They're like, "Oh my God, at the bus stop, I had no idea that Blankety-Blank was there". "Well, did you not look up?" Well no, they hadn't looked up before.

So this is a very interesting aspect of curation that's occurring. These next generations are all looking for mobility, not necessarily transportation. Car purchases in most of the OECD countries are going down. I am part of the trophy generation. We like the car. It's our trophy, just as the house is our trophy. These next generations, they want access. They don't necessarily want a car. They want to be able to get from point A to B in 35 minutes – safe, secure, anytime, and know they're going to get there. And know their friends are going to be there – the AirBnB generation, the Uber generation.

### Access, not ownership

We have to understand these new models of capitalism, these new models of free market, around access. What does that mean? It's a very interesting one and a very difficult one to get one's head around.

It's just as difficult for me to imagine how the Dutch at the end of a day, or on a Friday night, go and find their bike in a crowded three-storey bicycle parking garage in Amsterdam. Just no way. I was baffled by this. Could you imagine a three storey parking garage for bikes in Perth? Hard to imagine? But you have an incredibly beautiful climate: Why not?

Eventually we're going to have autonomous cars; they're already happening. We're helping to plan a very interesting high-tech campus down near San Francisco, and part of the mobility plan there is autonomous vehicles.

It's mentioned as the solution for congestion. Well, maybe, maybe not. Who knows? Will it increase capacity? Will it decrease capacity? The jury is sort of out. Some academics say, "Now we're going to be able to get six times as many people, or three times as many people on the roads". Others say, "Well, actually no, it's just going to clog them even worse". Who knows? But we're working on that.

In Nevada a couple of weeks ago, the first autonomous truck was given a driver's licence. Now, if you had asked me three years ago, "Can you imagine when an 18-wheeler will have a licence?" I would have said, "No way. Too big, too complicated, too dangerous", and yet just recently it happened. This is the steamroller pace of change.

The Port of Singapore is moving towards full autonomy, because the scale of a human on deck at a port is almost crazy. Within five years they will probably have a fully autonomous port. Hard to imagine, and yet this seamless multi-modality, this almost de-humanisation of many modes is really quite fascinating.

If you go to the Deutsche Bahn website, you can see exactly where every single one of their assets is on their tracks. It's about information. It's about knowing so you can make decisions. Then you can reserve a bicycle or you can reserve a car. They've created partnerships with car sharing companies so that they are now thinking about being a mobility company, not a train company, because citizens want mobility – seamless, multi-modal mobility.

The next generations are what I call 'clickizens'. They click for everything. They click to learn, they click to talk. They have different expectations and norms than we do. They're also makers. How many of you have a 3D printer in your office? How many of you have access to a 3D printer?

How many of you have never seen a 3D printer? It's fascinating, because on the telly you can see advertisements for 3D printers for around \$1500 I think, and you can buy one, just like in the old days of Meccano. My son bought one for \$200 – a flat pack. It took him three days to build it, three days to calibrate it, and now he's building himself a hexacopter. But this is normal for him. It's not normal for every 15-year-old, I accept that, but for his generation 3D printing is absolutely normal. How about for you?





## What will the new 'normal' be?

I think when we're looking at the cities of the future we have to move towards the thought of elders, not old people. As the Aboriginals and their Elders, we need to be thinking of our elders as assets; not something we have to deal with. How are they assets? What can we be doing with them? I think this is crucial for us when we think about how our families will live.

The other thing I believe is really important to think about for the future of the cities is the supply-chain fragility. The author Jared Diamond, says, "Every empire fails when its supply chain gets too long and too fragile". I translate that to think about the supply chain of a city. Do you know what your supply chain is? Where did all the food come from? The water? The electricity? And I would argue when a city gets too spread out, it has a very fragile supply chain where a simple failure can create a complete failure of the entire entity. And I get concerned about that.

I think we need a balance between sprawl and densification. We have to have a balance. But what does that balance mean? Because, this localised mass customisation will allow us, will allow *you*, to evolve industry so that neighbourhoods can create product for the neighbourhood. This de-centralisation is inevitably going to come, because it's far more resilient.

We are going to have new forms of integrated urban systems which we have to be open for. When I look at many of our governance structures all over the world, they're very much based upon the empire's idea of creation rather than integration. Instead of all these different departments of parks, of health, for the problems we're facing today we need to have integrated urbanism, integration and collaboration between departments, and these conversations between entities and groups.

I believe we're going to have much more distributed and multi-nodal energy production and water production. I always wonder, "Why is it that we take drinking water, then defecate in it?" In Hong Kong we didn't; we flushed with sea water. Why is it we spend so much money to clean the water and then soil it? Will we look back at some point and say, "That was really crazy"? Probably.

These new forms of integrated urban systems, I'm not exactly sure how they're going to look. But I do believe that we will have buildings that breathe.

Could you imagine if we had electric cars, electric trains, and we didn't have to worry about diesel fumes and the noise, the dust? What our streets could be like? I imagine that all the time. It's quite amazing.

And yet, construction and creation of infrastructure is a dirty, dangerous, demanding, daunting job. I don't believe that's going to go away, even though I do believe that anything that can be automated will be – in construction, just as in all of our lives.

Anything that can be automated will be. It's called the fourth industrial revolution and it's on its way. We're already feeling that, we're seeing that.

I think that we really have to be designing our streets for people again; designing them for people, *not* for cars. We currently illuminate cities for automobiles, not for people. We have to get back to thinking about lighting, and our green spaces, in the size and spectacle that makes it appealing for the humans that are there – not necessarily for the vehicles.

We will also have places of work, not workplaces. I think this is another very big mental shift. The majority of us are no longer factory workers. But so many of our offices and our places of work are thought of as factories, not as places we want to go to.

### Places of choice, not fate

As I started, I thought, "What will make Perth be the place that your children and your children's children want to stay in? They go away, but they want to come back. What makes this place the place – better than any other place in the world?"

These are the things that I think we have to really cherish and develop, because people vote with their feet.

Cities are alive again. They're coming alive again. There's this recognition as we age, that people are coming back in, right? And this is a very important thing to think about – moves in some areas towards greening of the cities. I would love to be able to go online and see visions of what Perth could be.

Now, I was in Melbourne, and you know in Melbourne, you have to clean up after your dogs. Since they passed the pooper scooper laws, their community has created a way in which they can be very good citizens who clean up after themselves. And I often wonder, when we're thinking of the city of the future, what does good citizenship mean for the city of tomorrow?

For example, how would it be if we all knew where all of our waste went? San Francisco set a goal of zero waste – that everything becomes a resource. That there's no such thing as garbage, there's only resources. What kind of goals would Perth have in looking at the city of tomorrow? A resilient clean, green city.



Good leaders help create visions. And they are also able to gather consensus. I think that's really crucial to the execution of any vision. What's even more important is to use the social media, and the capability for us to do community outreach to understand the needs and desires of citizens of all different groups.

How do you change the future? We change the story people tell about themselves and about the future they are going to live in.

So if we're thinking about the infrastructure for Western Australia, we have to think about the stories of how our citizens are going to be living, and then we create that.

Thank you very much.

> LAUNCH OF *AUSTRALIA'S  
FUTURE WORKFORCE?*

> 17 JUNE 2015

> MELBOURNE



## Educating the future workforce

Professor Jane den Hollander

Vice-Chancellor Deakin University



Professor Jane den Hollander knows the challenges universities face to educate students for a future nobody can predict. This speech highlights the ways universities will need to teach to equip our future workforce.

Speaking at the launch of CEDA's major research publication, *Australia's future workforce?*, Professor den Hollander spoke on the pace of change, urging us all to expect to be students many times over during our working life. She said that universities will soon focus less on students accumulating facts and instead prioritise leadership and teamwork, inter-cultural communication, entrepreneurship, emotional intelligence, and on-the-job experience.

Universities have traditionally been known as resistant to change. For example ... if you forgive an old joke ...

Q: How many academics does it take to change a light bulb?

A: Change? Who's talking about *change*?

That's the usual answer you get.

At the beginning of this century, before the advent of the great iPhone, it would be fair to say that the basic building blocks of universities – their governance, their business model, their instructional design – had changed little since the first university was established in Bologna in 1088. The only difference really is the number of women. There's still a teacher at the front.

In contrast today, of course, we have the era of the mobile phone and app innovations. Almost every time universities now come up in conversation, it is coupled with epithets portraying mega change, a revolution, a tsunami, a veritable avalanche coming towards us.

Some may be calling this too soon. Our demise may not yet be certain.

What I want to talk about today is the role of universities in skilling people for the jobs for the future, and what this means in our current environment.

### There will be jobs

You can all relax. We've just been assured that there will be jobs – it's just that we're not sure what they'll be, or how we're going to get them.

I think there's an interesting statement there about doom: some of what I'm about to say is quite negative, but I say it from an optimistic perspective that if we address change, it will get us where we want to go.

Today's markets represent therefore something of a paradigm shift. It's a complex, crowded, connected marketplace. The Asian century is in play and it seems the action is very much in our part of the globe. India and China together account for 2.5 billion people and if you include Inonesia that's getting to well over half the people in the world: all in our region, all in our time zone.

Our Asian neighbours are active. They see the future as clearly as we do. China's research and development for example, their budget has quadrupled last year and it is more than doubled in Singapore, in South Korea and in Japan. Meanwhile in Australia, most education funding is now contestable – it's seen as a cost and, worryingly, there is an absence of a national vision



or strategy for dealing with the future in a machine-driven world where the indicators suggest *everything* will be different.

Asian universities have continued their climb up the global rankings. They now represent about an eighth of the top 200 in the Times Higher Education World Rankings. What this means is that countries that have traditionally been our major markets have now become our competitors for outsourcing of international education, our great contribution to Australia.

China is now the third most popular international study destination behind the United States and the United Kingdom, with Australia slipping to sixth place behind France and Germany. This is a shift and it is against us, despite the papers yesterday suggesting we've had our best ever international student enrolments this year. Of course, it's all relative.

Every nation now competes. Publicly funded and privately funded providers compete. Big international players with international campuses compete for the growing Asian markets. And in all of this, what it is that we Australians should do? On a large island with a sparse population of 23 million mostly reasonably well-off and well-satisfied citizens, what must we do?

### Education is still critical

One thing we do know is that modern successful nations are mostly well educated and skilled, most particularly in the STEM skills – science, technology, engineering and mathematics – and in the application of those skills.

The big powers, China, India, Germany and France all know they must expand education to their people for the challenges of the future, which is different: a *different* future.

And that brings me nicely to use the analogy of MOOCs: Massive Open Online Courses, and why I see them as a signal of disruption. They are a signal that our education world has altered for good. Online education is not new but I think MOOCs represent the first wave of disruptive change for universities – how they transmit knowledge and how they educate the next generations.

MOOCs offer free tuition for all. They have enrolments counted in the millions and mostly they have very enticing titles. I would be shocked if on every table in this room there is not someone who's done at least one MOOC. I've completed one and I've done about eight. I've dropped out of two (I'm a bio-chemist by training and I was horrified at how bad they were).

But what has happened in the blink of one year is that online education went from poor relation to leading edge, uber-cool status. Everybody is now in the cloud.

MOOCs have freed us from fixed concepts of meritocratic selection; from preconceived notations of who should go to university and when that might happen. The large Asian and European markets have shown great interest in the capacity of MOOCs to offer a cost-effective alternative for large populations who were previously without hope of access to any kind of higher education.

And now today, the US may still be the world's education technology leader, but Asia has become its most critical testing ground.

Asia has the world's largest pool of kindergarten-to-Year 12 and college enrolments, and deep internet and social media penetration. Forty-six per cent of the world's internet users are in Asia and we in Australia will probably compete with them in creating the jobs of the future.

So, will MOOCs replace placed-based universities like all of the ones in this country? Probably not. But they are the first wave of disruption. MOOCs are perhaps the canary in the coalmine.

Stanford Professor Susan Holmes has a point when she says, "I don't think you get a Stanford Education online, just as I don't think Facebook gives you a social life". Well, I'm not so sure. I think it depends how you define a social life and the next gen will definitely do it differently from us old gen.

MOOCs are free, there is no business plan, and many have scoffed at the idea that they can do anything. But I remember the Amazon journey ... and we all know it ... the now dead giant, Borders (the bookshop) sold its annoying list of e-books to a small start-up, which for many many years made nothing, and today is a global brand. Amazon is the world's retail distributor for almost everything.

Is there a message in this for all of us? I think there might be.

The most significant impact I think of MOOCs is the output of the new technologies which have changed how we think about learning and the skills it produces, and how people can access them.

In my university sector, we can now target, predict and describe information in ways that were unimagined five years ago. We have new ways of collecting and thinking about information, and new ways of linking data sets to generate new insights about learning and about teaching.

Learning analytics doesn't just measure how students progress. You can now shape it, giving students opportunities to improve and develop while a course is in progress, and they can do this for themselves. In future, the challenges for universities is to use analytics to build ever stronger links between





data, teaching and learning – to maintain a focus on developing the skills and knowledge that we value in our society. A big change indeed!

New technologies are starting to change the way we think about how we teach. But crucially it's changing the way our students think about their learning and where they'll get it.

Few university students today are solely on campus, with no access to the cloud. Or wholly on campus simply receiving and absorbing learning resources digitally. They are sometimes on ... and they are sometimes in the cloud ... and sometimes they're on campus and there could be a lecture going on over there but ... "Heck, why do I need to go? I'd rather talk to my friend ... I'll download it later in the cloud when I get home ..." ... you get the story.

Our students do travel occasionally to university and when they get there they expect technology-rich learning spaces, ubiquitous fast wifi and of course (in Victoria) great coffee.

But the key is they no longer need to come. They don't have to come to campus so often anymore – many can get all their learning from wherever they are, and whenever they want it.

The flexibility that we now have for people with work, with families, this flexibility is invaluable. Our fast-changing economy means that we can expect to see an older cohort as students re-enter education multiple times. All of you in this room ... *get ready for it*. You will enter education multiple times to keep pace and keep reinforcing your workforce skill requirements. Deloitte's 2014 report<sup>1</sup> predicts that skills have a half-life of about 2½ to five years.

This flexibility has happened fast – we now worry about things like ... how do you access the quality of online learning in the age of cloud-based training? How do you assess the quality of the content? Some MOOCs are absolutely dreadful. Others are pure genius.

How is online assessment going to be free of cheating? This is an obsession of the media just at the moment. People ask, as if there has never been cheating in an exam room, ever. May I remind you that since 1088 in Bologna it has been recorded that cheating existed. None of these things about quality, about cheating, and about access are new.

Ultimately of course it's none of these things that matter; it's the quality of outcomes that matters. Outcomes from higher education for 99 per cent of the world's population mean jobs. Will employers continue to value university degrees over a digital band from edX or Coursera (the great big MOOC providers at the moment)? Could graduates entice employers with half a dozen

prestige MOOCs on their CVs in place of a three-year degree in business or computing?

So the big question for me is: Will degrees, the ancient rite of passage, survive the decade? Or will a new wave of badging and credentialing begin appearing: shorter, faster, cheaper, just in time for me? Will this happen? Well probably. The late Steve Jobs' take on quality was that, "People don't know what they want until they see it". Hence, the great iPhone.

So I think what will matter for us is: What will our students, the children now in Years Three, Four and Five, expect from their education in 2025? A well paid job? A better understanding of the world? An exciting lifestyle? Probably all of these.

### What does digital disruption mean to the jobs and skills of our future?

It seems to me that in an age with vast quantities of information instantly available – and outdated almost as instantly – the ability to deal nimbly with complex and often ambiguous knowledge is far more important than the accumulation of facts which can be regurgitated, however stylishly.

Emergent leadership and teamwork, entrepreneurship, inter-cultural communication, emotional intelligence, on the job experience ... these are the skills the employers of the future will be looking for. Content will become a given, along with an expectation from your employers that you will update your knowledge base yourself, when you need it.

In a constantly connected world, graduates will also need improved cultural awareness, global contacts and skills essential for that marketplace in the cloud. The connection between work and learning will become closer, and I believe work-based learning opportunities will begin to have a more critical place in preparing graduates for those jobs and those skills of their futures.

In this second machine age, unlike the age of steam, the evolution of cognitive computing has moved into areas previously believed to be beyond the reach of technology. As smart machines take over routine manufacturing (and probably also many of the process jobs that currently exist in our world), there will be an increasing demand for the kind of skills machines are not good at: the thinking skills that can't be codified.

We will also need people with a firm grounding in coding. Did I mention coding? Why is it that Australia has tuned out of teaching our Year Five, Six and Sevens to code, and the great opportunity of that market has gone to the United States?



We need a firm grounding in coding for everyone. We need science; we need technology; we need engineering; and we need mathematics. We will *all* be working with machines.

What will those jobs be? I have no idea. Five years ago no one knew what an app was. Now there are 50,000 app developers. In five years' time, machine algorithmic designers, machine communication specialists (how do you get machines to talk to each other?), robotic lifestyle integration consultants ... I still think there will be podiatrists, life specialists and all the rest.

The billion dollar question of course will be: how will we keep pace with technological infrastructure and remain competitive in an increasingly complex global market? Universities will need to worry less about what the actual jobs are, and more about equipping our people to be thoughtful, to be entrepreneurial and to be forward looking.

### Concluding remarks

We ask a great deal of our universities to prepare future leaders, to train employees, to provide a creative base for scientific discovery, to transmit culture, create new knowledge, to nurture and to fill the deep human desire to understand ourselves and the world we inhabit and will inherit.

We know knowledge is replacing other resources as the main driver of economic growth and education has increasingly become the foundation of individual prosperity and social mobility. Importantly, it is important for national wellbeing, regional power and advantage.

So I end by quoting Robert Kennedy who once famously said, "We live in interesting times: in times of opportunity and huge advances".

And I say we need to pay attention and take a few risks.

I think, in education, it is well over time to pay attention to the changes we face and to take those risks. Our future, our collective future, certainly depends upon it.

Thank you.

---

### Endnotes

1 Human Capital Trends 2014 survey, Deloitte University Press. Available at: <http://dupress.com/articles/human-capital-trends-2014-survey-top-10-findings/>

> RELEASE OF *AUSTRALIA'S  
FUTURE WORKFORCE?*

> 19 JUNE 2015

> SYDNEY




## Treat volatility as a friend

The Hon. Malcolm Turnbull

Federal Minister for Communications\*

\*Now Prime Minister of Australia



Speaking at CEDA's June 2015 release of *Australia's future workforce?* Malcolm Turnbull spoke on a theme in CEDA's work in 2015 around digital disruption to business and the impact and opportunities this presents.

His speech was a timely and welcome divergence from the prevailing negativity. Three months later, Mr Turnbull was elected Liberal leader and Prime Minister. Since then, there has been a refocus by the Federal Government on increasing innovation.

When Lord Byron travelled to Greece in 1812, he declared in his great work *Childe Harold Pilgrimage*:

Fair Greece! Sad relic of departed worth!

Immortal, though no more! Though fallen, great!

In many ways, he wasn't just talking about Greece's 'departed worth' as measured just by its cultural or artistic output, but actual economic output. As Angus Maddison's project to track historic national accounts shows, Greece's per capita income in the age of Byron was only around 20 per cent higher than it was in the age of Plutarch.

For many millennia, economic life was much the same for each successive generation.

The problem of rapid technological change – and with it, the displacement of wide chunks of the labour force – is a relatively new one. Perhaps the first social movement protesting against automation and the threat it poses to labour was the Luddite movement in the early 19th century. Workers protesting at Foxconn facilities about being replaced by robots is the latest incarnation of this same problem.

In 1930, John Maynard Keynes wrote of the fantastic and frenetic changes occurring around him, with output per head in US factories increasing 40 per cent in a period of just five years.

"The increase of technical efficiency," he wrote, "has been taking place faster than we can deal with the problem of labour absorption".

He predicted that within a century, output per head would be four-to-eight times greater; and that the work week would be reduced to around 15 hours, to be replaced by a culture of leisure.

He was right in terms of growth: 85 years on and the Australian and US output per head has grown by a factor of six.

And there has also been a huge shift of jobs from traditional sectors. In 1900, one-in-four Australians were employed in the agriculture sector. As of May this year, agriculture accounted for slightly more than two per cent of total jobs.

As late as 1970, manufacturing accounted for 28 per cent of the workforce: it now accounts for just over seven per cent of jobs.



The short point is that in an open, dynamic, globally-competitive market economy, jobs lost in relatively declining sectors will be made up for in new ones.

What Keynes didn't foresee, however, was just how transformative new innovations would be, bringing not just new ways of creating old products, but new waves of demand and need for skilled inputs.

The economists Claudia Goldin and Lawrence Katz famously wrote about the "race between education and technology". It appears that humans have, for the most part, stayed ahead of the curve of technological change by moving up the value chain faster than computers.

A 1965 NASA report sums up our inherent advantage: "Man is the lowest-cost, 150-pound, nonlinear, all-purpose computer system which can be mass-produced by unskilled labor."

But as Hugh Durrant-Whyte and a team of NICTA researchers point out, 40 per cent of the workforce – or around five million Australian jobs – are at high risk of being replaced by computers in the next 10 to 15 years.

This study largely reinforces a study by Oxford's Martin School in 2013, which found that a slightly larger proportion of US workers – around 47 per cent – will have their jobs threatened by computerisation in coming years.

Part of the answer for Australia's workers is contained in these two studies. We are slightly less prone to automation than US employees because of the make up of our workforce, with relatively fewer workers in the service sector.

## The new wave of the industrial revolution

What is different about the current wave of disruption, referred to by some authors as the new wave of the industrial revolution, is the pace of change, driven in large part by a confluence of trends. Each would be significant enough to disrupt traditional jobs, industries and business models in their own right, but together they're having an irrevocable impact: not only on the way we work, but on just about every aspect of our lives.

This is no ordinary disruption.

The key to our future economic prosperity (our competitiveness and progress) is, in large part, contingent on our ability to counter some trends and embrace others. They include:

- The explosion in computer processing power, and the relative affordability to store and transmit large volumes of data.
  - Between 2000 and 2009 the number of transistors per chip increased from 37.5 million to 904 million. Today there are about two billion transistors in an average smartphone, making it more powerful than the combined computing power at NASA in 1969 (when they landed men on the moon)..
- The opportunities of mass connectivity and mobility, which is accelerating the pace of globalisation and changing consumer behaviour: from the way we exercise, to the way we access entertainment.
  - There are already as many mobile subscriptions worldwide (7.5 billion) as there are people, and the share of smart devices is increasing.
  - The ubiquity of the Internet has also broken down barriers to entry. Start-ups can launch a new product directly to billions of consumers.
- The globalisation of supply chains. Trade is increasingly in intermediate goods, as distinct from finished products. And supply chains have become more sophisticated and integrated.
  - Take the Apple iPhone 6: it includes components made by 785 suppliers in 31 countries, regrettably none of them Australia.
- Demographic changes such as Australia's ageing population and the impact this will have on labour force participation; and
- High youth unemployment – currently 14 per cent.





As with previous cycles of technological progress, where the application of new technologies has led to greater automation – particularly in agriculture, manufacturing and now mining – the current wave of disruption will inevitably result in job losses in other areas susceptible to automation and standardisation.

While the prospect of five million jobs being lost to computers is alarming, it does not consider the types of jobs that will be created in the future. Technology will be leveraged to develop new goods and services; new innovations will emerge; and companies most susceptible to disruption will reinvent their business models, as many – though not all – are doing today.

Take Netflix as an example. In less than a decade they cannibalised their DVD-by-mail business with an on-demand video streaming service. Today Netflix accounts for 30 per cent of downstream web traffic in North America, has 60 million subscribers worldwide and employs 2450 people. Many of those jobs (at least at Netflix) would not exist today had they not cannibalised their old business model.

The lesson for all business is, “If you are not prepared to cannibalise your legacy business model, don’t worry, somebody else will do it for you”.

### Out with the old; in with the new

So while many jobs and in some cases entire industries are at risk of being replaced by computers, technology can be harnessed to create a net increase in employment. Our challenge is to ensure that enough Australians have the skills and technological imagination to take advantage of new technologies; to approach disruption as an opportunity to invent and create, and not something that we seek to prevent.

As Hugh Bradlow from Telstra observes in his chapter, “One certainty about the economy and employment in the years ahead is they will be shaped and affected by new technology.” The reality is: the future is here, now. So we must be prepared to embrace change and uncertainty as our friend: not our foe.

The question therefore is: How, in the face of unprecedented technological and demographic change, can we ensure that more jobs are created than are lost? And how do we ensure that the jobs created will deliver a higher standard of living than they do today?

The aim is not, as Labor used to say, “future-proofing.” That’s neither possible nor desirable. It sees the future as a threat not an opportunity.

We need to ensure we have infrastructure and the skills to embrace the future, to make volatility our friend so that we can take advantage of all the opportunities rapid change will involve.

## Education and skills

Improvements in educational attainment and workforce skills enabled Australia to respond, and ultimately benefit from, past waves of technological disruption. For the most part, wages have increased and so too has discretionary spending, creating demand for new goods and services, and ultimately improving our standard of living.

In terms of formal qualifications, Australia has a highly-skilled workforce: 25 per cent of Australians have a tertiary qualification and nearly 40 per cent of 25-to-34 year olds have a bachelor degree or higher. This is above both the OECD and G20 averages.

But despite our educational attainment, we must ensure that students are graduating from secondary school and university with the skills to succeed in a more competitive, globalised world.

In a volatile age of rapid disruption, agility and optionality are key assets.

I always discourage young people from studying law, unless they want to be a lawyer. STEM subjects (science, technology, engineering, mathematics), including computer science, financial subjects, even the liberal arts, are far better grounding than an arid vocational degree which will never be used in the profession.

As Catherine Livingstone observed at the National Press Club earlier this year, “We need to move urgently from a discussion about protecting the jobs of today, to creating the jobs of the future. This includes ensuring that there is a workforce skilled in attributes required by business”.

We know that advances in computing and software in particular are driving the latest wave of disruption, and yet there has been a sharp decline in the number of students studying computing at university. A recent report from the Australian Computer Society and Deloitte Access Economics found that demand for ICT workers in Australia will increase by 100,000 people over the next five years. But the number of IT graduates with a bachelor or



postgraduate qualification almost halved between 2002 and 2013. Despite a marginal increase in the number of engineering graduates, there is a clear gap between the forecast demand for ICT workers and the current pipeline of supply.

This is a clear market failure and something that we must urgently address. Business and political leaders – and of course universities and school counsellors – have an important role to play in promoting the benefits of courses such as computer science.

We need to move beyond outdated stereotypes of the IT worker as a nerdy guy in a brown cardigan, and promote the virtues of a computing qualification as an excellent generalist degree: the Arts or Law degree of the 21st century. In Australia, almost half of all workers with an ICT qualification work in non-ICT fields such as advertising, and 52 per cent work in industries outside of ICT itself.

While much more needs to be done to increase the pipeline of secondary school students who go on to study computing at university, a second and equally important point is this: technology is at the heart of just about everything we do, so more workers across the economy – regardless of their occupation – will require generalist STEM skills if Australia is to remain a competitive, prosperous country with a high social welfare safety net.

The importance of STEM to the economy should not be underestimated, nor is it new. As Australia's Chief Scientist Professor Ian Chubb has observed, approximately 65 per cent of Australia's economic growth per capita in the 40 years to 2005 came from improvements in our use of capital, labour and technological innovation. And demand will continue to accelerate: 75 per cent of the fastest growing occupations now require STEM skills and knowledge.

Our education system must equip students with the skills to meet this demand. Like reading, writing and arithmetic, ICT skills such as coding and computational thinking are becoming so critical that they should be embedded across the curriculum, from Foundation to year 10, as part of the digital technologies syllabus.

While digital literacy is critical, given the rate of technology adoption in Australia – even among very young children – it is important that we move beyond only teaching students how to consume technology and instead focus on technology creation.

Last year the UK's ICT curriculum was replaced by a new computing curriculum, with students as young as five and six receiving coding lessons. As Michael Gove, the former UK Secretary of State for Education, explained:

“ICT used to focus purely on computer literacy – teaching pupils, over and over again, how to word-process, how to work a spreadsheet, how to use programs already creaking into obsolescence: about as much use as teaching children to send a telex or travel in a zeppelin.

“Our new curriculum teaches children computer science, information technology and digital literacy: teaching them how to code, and how to create their own programs; not just how to work a computer, but how a computer works and how to make it work for you.”

I strongly support this position and encourage educators in Australia to embrace machine languages and computational thinking as skills that are as fundamental in the 21st century as reading, writing and arithmetic.

Of course education is not the exclusive right of those enrolled in the school and university systems. There needs to be a renewed focus on upskilling – or reskilling – and career development, particularly in industries most susceptible to automation. This could occur through traditional on-the-job training, specialist courses, or vocational education.

The Government is investing \$3.5 million in a Coding Across the Curriculum program to ensure all students gain exposure to coding in primary and secondary schools.

And we have committed \$500,000 to trial a P-TECH-style program in Geelong. P-TECH is an education pathways partnership between IBM and the New York Education Department where students graduate with an associate degree, along with the skills to continue studying or transition directly into an IT job.

### In conclusion ...

I sincerely believe we are living in the most exciting, revolutionary, disruptive time of human history. The opportunities for creation and innovation have never been greater. A globalised economy supercharged by the internet, amplified by one new technology every day, is the most exciting environment for us to live in and for our children to grow up in.

But we have to have the skills and the attitude and the culture to take advantage of it.

Technological education, quantitative thinking, machine languages, agility, optionality, being prepared to embrace the future and – as I said to you several times now because I don't want you to forget it – to treat volatility as your friend.

This is a time of great and disruptive change and it is an opportunity, not a threat. The winners, be they individuals, firms or countries, will be those that embrace the future with a passionate and innovative enthusiasm.

And I have no doubt that Australia, with the guidance of luminaries such as CEDA, will be among the leading countries that are able to do that.

Thank you very much.

> QUEENSLAND ECONOMIC  
DEVELOPMENT FORUM

> 8 AUGUST 2015

> BRISBANE



# The seven global megatrends of change

Dr Stefan Hajkowitz

Principal Scientist in Strategy and Foresight  
CSIRO

Today's pace and scale of change creates huge demand for anybody with a crystal ball. As a scientist, Dr Stefan went one step better. He summarised seven current global trajectories of change set to radically transform companies, individuals and societies.

Dr Hajkowicz outlined new business opportunities implied by radically changed work practices and workplaces; the growing needs for big data analytics; and the unlimited trajectory of new technology development and support.

He also stressed the growing importance of the human element increasing the value of sophisticated interpersonal, cross-cultural and social skills.

I'm a principal scientist in strategy and foresight at CSIRO. I lead a lot of our long-range thinking about trends, scenarios, risks that are going to impact Australia. Our job is to try and interpret those, using statistics and data analytics, but also a lot of qualitative thinking and reasoning about what we're seeing. And then we inform a company, a government or the nation about what matters, and how to strategically and proactively respond to some of this change.

We are living in a world where a lot of change is happening.

We've been working on our 2015 update of the CSIRO report, *Our Future World*<sup>1</sup>, which has become the most downloaded thing on our website, ever. I think it's hitting a chord with a lot of people, as there is a thirst for knowledge and information with a credible source behind it and, if we can achieve that, about how the future might look.

As we do this rewrite of the previous six megatrends, we're changing. It's now seven megatrends of change that we're identifying. We feel like we've done the work internally, and the report is being crafted and will come out towards the end of this year.

## 1. More from less

Some of the things that are getting injected into the story are changing.

The first megatrend, 'more from less', stays. But the big thing that's getting added is battery technology. A huge amount of focus has gone into that because battery technology is about to change the way electricity grids around the world work.

There's a Deutsche Bank report that says within 18 months we'll see a lot of the world's electricity markets confronted with the issue of solar panels and battery packs reaching parity with grid prices. Other reports are putting it up to 20 years' time before that happens for a broad base across the electricity market. So there's a fair spread. But I think we are starting to see it happen.

You may have seen the Powerwall by Tesla: a \$3000 battery that can be put onto the side of the house or in the garage, and connected to the solar panels. For quite a long time the cost of solar panels has been dropping so much, and CSIRO's got printable solar panels we can print off – even the glass surfaces of a building can be a solar generator. Cost is not the bottleneck for solar technology. The bottleneck has been storage.



We've researched to see whether we think there's a possibility of a Moore's Law applying to batteries, and the answer is no, but there is an upward turn. Also, battery technology could take some jumps. It's something I researched a lot as I looked into my book, because I put it down as one of the key disruptive technologies that changes so much else after it. So that's the first big shift and introduction into the energy story: battery technology – what does that do to the electricity grid, electric vehicles, transportation? There's a lot of change that happens as battery technology gets better.

## 2. Planetary pushback

The next megatrend we've called 'planetary pushback'. It used to be called 'going, going, gone' with a focus on biodiversity, but we're introducing some new elements.

The climate change story stays, and we provide the latest updates and figures on climate change.

What we're really introducing is the infectious disease risk, which is something we should have given more attention previously because antimicrobial drug resistance is upon us: the only good thing about that is it will make you stop worrying about climate change so much, because it's associated with projections of many hundreds of millions of people in the world not being here by 2050 as a consequence of the rise of bacteria that cannot be killed by the antibiotics anymore – the bacteria have evolved to get around them.

Excessive and overuse of antibiotics in the past is associated with much greater rates of resistance. It is a dilemma and a problem that has not been cracked yet, and colleagues at the University of Queensland are opening up a research institute specifically targeted on this. This is happening around the world and we are looking for solutions, but I think it's not one where we are seeing solutions yet. So it's a lovely thought to take home.

## 3. The Silk Highway

The next one we call 'the silk highway'. The change in our thinking on that one that we're really trying to flesh out is the structural change going on in Asia. We heard earlier some great stuff about the services sector of the economy, and the growth in knowledge ... and I'm one who is buying into this argument that there is a knowledge economy boom ahead for Australia.

The data I look at from the OECD shows us that, during the great global financial crisis in 2008 with all the bumpiness, the trade in creative services, cultural products, knowledge products, continued to grow pretty stably during that period, whilst other parts of trade were hit and had the big dip.

A key part of the reason is the transition that is going on in Asian economies that are growing so quickly. The Chinese economy is obviously growing rapidly, but last year the services part of the Chinese economy surpassed the manufacturing sector, and is now shifting out of this industrialisation phase into an advanced services sector economy. So Australia is an advanced services sector economy. The bulk of our economic activity sits in that sector.

Steel intensity is a pretty good indicator of where an economy is up to in its transition. For Germany, Japan, the US, steel intensity goes up to peak at around \$12,000 US GDP per capita, and then it comes back down again. China is going through this pathway, and steel demand is softening in China. It's still growing, but it's softening. And steel intensity is how many grams of steel to produce a unit of GDP. As you build factories, railways, cities, you need a lot of steel to develop the economy, but you reach a point ... they're coming back down again. Steel intensity is declining as the train tracks have been built once: they don't need to make them again.

But now a bunch of office workers are travelling over those train tracks to get to jobs in healthcare, education, the legal professions, and that is the shift that is happening in the Chinese economy. Incredible growth rates in the STEM skills (science, technology, engineering, mathematics) are happening, both in the student population sense, but also in research and technology capabilities. It is exhibiting all the signs of moving rapidly into an advanced services sector economy.

So, we're arguing Australia is here as an advanced services sector economy. China and a lot of Asia is also jumping into this advanced services sector economy. We need to make this shift here into the *advanced* advanced services sector economy. We will still be able to export iron ore and coal and gold, but I think there is a future that works well for Australia where the pie graph of our exports shows a lot more pieces of pie, and a lot more of the pie in the area of services and knowledge exports. That's the sort of shift that's upon us now, and there's a lot of really interesting changes happening in the policy environment about how we connect to that.

#### 4. Forever young

The next megatrend is 'forever young', that has a focus still on the ageing population that is quite well known and established out there. Rising rates of chronic illness and healthcare expenditure from roughly 20 per cent of all government taxes to 40 per cent of government taxes are being propelled by the ageing population as older people need more healthcare expenditure, and we've got more older people in society that are boosting it.

But also, continuing rates of chronic and lifestyle-related illnesses. We go from 50 per cent overweight or obese at the moment to 70 per cent by the year 2025, and that is a continuing trajectory.

We're also injecting into that one the issue of mental health. For young people, over 55 per cent of the total disease burden is mental health; in the last 12 months 10 per cent of Australians have had a mental disorder and almost 50 per cent at some point in their entire life. It is a big ticket item that we haven't given enough attention to previously.

The data is getting better; our understanding of that one's getting better; but there are huge related productivity issues for the Australian economy. And there's evidence that companies and organisations are really picking up on mental health, and putting in place programs to increase productivity.

#### 5. Digital emotion

The next megatrend is called 'digital emotion' (previously, 'virtually here'), and this one's capturing a lot of our attention.

Colleagues at CEDA have done the great work recently looking at 44 per cent of all jobs at risk of computerisation, and you've probably seen that in the headlines. There is a lot of truth to this big transition.

What the report also says, and our own work in this space ... a dedicated project on this particular issue that we're doing with Boston Consulting Group to have a look at jobs of the future in the next 20-year timeframe ... there is also a massive amount of job creation happening. For example, there is an army of 'big data' analysts being appointed, and I'm sure they're looking at this at the Australian Bureau of Statistics, as is the FBI and the Australian crime fighting agencies. The change in technology is fuelling demand for new skill sets that we haven't previously seen.

So it's a question of transition: of people moving out of the job that they're currently in, where automation and robotics takes over, and moving into a new one. To get an idea of what automation is capable of ... once you get home

this afternoon (or back to the office), Google, 'What the Google driverless car sees'. There's a YouTube video in there that's got heaps of hits.

It shows you an image of all the rectangular shapes it is picking up as it is driving down the road. It's got probably about 20 to 40 cars in view all the time around it. It's also got cyclists and pedestrians in view. It sees them coming across and it reads the traffic lights as well. It is seeing so much more than you are capable of – when it drives down the highway, it puts itself out of the blind spot of all other vehicles to make your trip safer. When was the last time you pulled that up on a trip up the coast? You're not going to.

The Google driverless car will drive hugely better than you. Not just Google – the Mercedes, the Audi one, the BMW offerings, Volvo, these cars already have the driverless function on them. The job is done by the science and engineering parts of the world; the next bit is for society to adjust, for the legislation, for the urban planners to put in place these vehicles, and they will bring down the road accident rate massively. There's so many tragic and fatal accidents that are going to occur across Australia this week that automated vehicles will totally avoid because of their better view of what's happening around them, and their instantaneous response capability.

There is so much in this world of technology that we can start to adopt and change. As we do this, there's a challenge for the workforce: there's a lot of people who don't get to do what they previously did. But there's a demand for a *new* set of skills about making the automated vehicles actually happen with incredible social and economic benefits wrapped around it.

## 6. Porous boundaries

The next megatrend we've inserted we've called 'porous boundaries'.

So the earlier one, digital emotion is about the pure grunt power of the digital technologies that are happening around us – the computing speeds, device connectivity, the internet of things that I didn't really talk very much about ... just plugging all these devices into other devices so that there is even the washing machine on the market now with the ethernet connection so it can talk to the internet ... so you can push on your iPhone to wash the socks at a certain time of day. I don't know why you need that, but it does.

There is a consequence of device connectivity called meta-level functionality. The dishwasher isn't smart, the washing machine isn't smart, but when you plug them all into a network, this network is capable of doing brand new things that we didn't previously know. And from that we can build new things.

The porous boundaries megatrend is the next one: how organisational structures change. The solid protected organisational structures that exist around us are becoming porous in the peer-to-peer economy.

Our work on the future of work and what jobs look like and employment models is identifying the rise of the peer-to-peer economy, where ... in 10, 20 years' time, I don't work at CSIRO; you're not in your organisation; we are in a sea of portfolio workers or freelancers. I have multiple employers who I respond to and am able to connect to, and you're working likewise.

When we have a project we want to do, I can use the networks cleverly as an individual and at low cost to build a project team. So if they wanted to set up a new Big Data Analytics capability in the Australian Bureau of Statistics and I was responding to it, rather than use just the normal structures I had, I can go to a world of expertise and build a team quite rapidly, drawing on skills and capabilities. We'll book an office that's like a Qantas-style office lounge here in Brisbane where we swipe in and out with our credit cards, and we'll work together in that space while we do the job. And once it's done, we'll break apart and we'll form a different team and a network to solve the next job.

That is what the employment market of the future is going to look like. We think the nature of the office as we currently know it is going to disappear. It's much more efficient to have that fluid and agile structure, and it's going to be very networked.

Now, that's a challenging prospect for a lot of people: it's a very different concept about getting a job and how to perform in that workforce. We've got to be able to perform and function in a network and have the agility and all of the social interaction skills – they actually get more important.

It's kind of ironic in that the issue of digitisation into the workforce is putting greater value on your ability for social interaction, complex judgment, the sort of humanness about you becomes more valuable, and a greater differentiator to what digital technology is capable of. And those are the skills we need to bolster to a greater extent for the kids coming through the system. So I think there is a lot of change in how the workforce works.

We're doing another project with the Queensland Government to look at scenario planning for the delivery of government services in 20 years' time. There is sort of a proviso to that – that we also create scenarios where digital technology promises aren't fulfilled, primarily due to issues of privacy, cyber-crime not being solved, and architecture.

The broadband network isn't something we're going to be done with when we finish building the National Broadband Network. We are facing much faster growth rates in the amount of traffic online, the amount of data that needs to be moved around than we are able to provide for by building the infrastructure.

Do people here know of Maslow's Hierarchy of Needs which has shelter, health, clothing and stuff at the bottom? I saw another one drawn recently with that, but at the bottom it was wifi access as the basic premise to be able to be a human being. And that was kind of funny.

To get that though right across Australia, we're a long-shot away, and the scientists who have been working with me on this are bringing the data and the graphs that I'm still trying to wrap my head around. They are showing the amount of data we need to move to be able run this digital economy of tomorrow: we have not got close to the infrastructure to meet it. And it's not like we're going to be finished: it's moving quicker all the time.

So there are some reasons to suspect there will be bottlenecks in the move into this digital economy if we don't choose to solve them now.

## 7. Great expectations

The last megatrend and then I'll wrap up quickly because this is the future of the world here in 10 minutes, is on the person and the human experience in the future: the all-important experience factor. We call it 'great expectations' and we're getting more into this – it's a response to this digitally immersed economy that we're moving into in the future.

I worked with the Museums Association of Australia recently and they had an interesting session in the morning saying, "Everyone's building museum apps. We've got to make apps so that you don't have to go to the museum anymore. You can log onto your iPhone, your iPad, and walk through the museum and interact with all the displays and stuff. If we don't do that we're going to not just have dinosaurs in the museum, we're going to be dinosaurs." So that was the view of the morning.

But the afternoon session was, "Hang on a tick. In the app space, some kids operating out of Mum's garage in California can build a museum app that does all this. They've got the same resources and capabilities and we're exposed to that level of competition."

Instead, what they actually have is a piece of physical real estate in the middle of Brisbane, Canberra, Adelaide, Sydney ... that millions of people are coming

to every year. And the Australian Bureau of Statistics data on museum visitation rates shows a gradual increase – that Netflix and all the other things online have not yet turned us away from cinemas, libraries or museums ... we're still wanting to come to those physical places. And I think the physical and real world actually has greater value in this digitally immersed economy.

It's the 'difference' thing. And what bits of it are left and work well are those that get more value connected to them.

There is a company in America called Briggo that is bringing out an automatic coffee making machine, which is incredibly advanced: it has 200 sensors; it gets the temperature exactly right; it will grind the coffee to the exact right level of groundness; and it's trained to the standards of the world's best baristas. So it is something that is set up and well done.

And I actually think coffee making is something that computers, robots, will do better than a human barista. (I've been badly beaten after sessions by making that point, but I think we're getting there.)

But, for the baristas, I don't think they disappear. I don't think they're going anywhere even though that machine works better. And the reason being that ... as a human who's buying the coffee in the morning, I actually want someone to make that coffee who's a person, who I can smile at, talk to, who knows my name and has that level of interaction with me.

So I think those machines might form a function, but anyone who's been to an airport lounge recently where they do have coffee machines, and the barista ones, knows there's always a queue at the barista ones. And there always will be.

It might be that coffee making in coffee shops changes a little bit, and the barista is able to take advantage of all that technology, but the human being at the other end doesn't disappear.

So that's our view of the megatrends that we think are going to put things into a different space.

And thanks very much for your time.

- > CHANGING THE LANDSCAPE  
OF GENDER EQUALITY
- > 13 AUGUST 2015
- > PERTH



## Advocating for change

Elizabeth Broderick

Australian Sex Discrimination Commissioner\*

\*Retired from the role in September 2015



Elizabeth Broderick has consolidated nine overarching themes that encapsulate her learnings over the eight years she advocated for gender equality.

This speech is one of a series of speeches Ms Broderick presented on the CEDA stage across the country in August before her retirement from the role in September.

While each learning theme is filtered through the lens of her experience as Australia's Sex Discrimination Commissioner, each also offers valuable insights for anybody trying to generate major change.

As I step down as Australia's Sex Discrimination Commissioner, I've been reflecting on the remarkable journey and the privilege it's been to serve in this role for the last eight years.

Like me, some of you may have come to a time in your lives, either professionally or personally, where you go through a transition: where you look back and reflect on the path you've taken. I love everything about this role. It's absolutely been my dream job. But what I enjoy most – beyond the politics, the legislation, the statistics – are the incredible individuals I've met along the way.

Today I'm not going to talk about the law or the policy solutions, or even the human rights conventions. Rather, I want to talk to you about what I've learnt in accelerating change, accelerating reform.

And at the heart of my message today is the importance of stories. Human stories have the ability to sharpen and guide. So, stories is where we'll begin.

## The journey

Over the last eight years I've met women and men from Launceston to Arnhem Land, from Canberra to the Kimberley. This role has taken me from 200 metres under the ocean in a submarine, to camping out with Aboriginal women in the Kimberley; from the slaughterhouse production lines in South Australia, to the mountains and valleys of Afghanistan. It's taken me to remote communities, to company boardrooms, small but powerhouse community organisations, government agencies, unions, the parliament, the decks of frigates, the Pentagon, NATO, the United Nations, the World Bank, and everywhere in between. I have to say, there's not many roles like this one.

The stories that I've heard as I've travelled, echo the feminist adage that, "The personal is political": that personal injustices often demand political solutions. This catch cry, of course, was intended to rewrite the rules – to bring the private sphere, which was inhabited by women, into the public domain.

In short, the personal still matters – the lived experience of inequality, of exclusion, of hardship. Not only does the personal matter, it is precisely the thing that will ultimately spark change. It's the stories that will enable us to take that next step forward.

Today I want to share with you some of those stories, the lessons learned, and the great optimism I feel about our ability to shape a more gender equal future.

Many of the stories have been missing from our national consciousness, from our public debates. Yet they're the stories that demand our consideration, our empathy, our best and most practical response to human lived experience.

These stories teach us about the importance of learning through listening; of standing in each other's shoes; of understanding that decisions made (or not) by those in power have an impact on individual lives; of the power of words – the need to rewrite the rules when they perpetuate injustice; and, most importantly, the need to reimagine “normal”.

They also remind us that gender equality matters: it matters to girls and boys; men and women; young and old; business, unions, government and the community. It matters to me. It matters to you.

Gender equality goes to the very heart of who we are and how we live.

- Let's stand in Lurline's shoes for a minute:

I'm in Hobart. Lurline's running a young women's refuge there. Everyday Lolene makes sure that girls escaping violence and substance abuse are given a warm bed, have food, and have a chance at an uninterrupted education.

On the morning I roll up to see her, she's already been up at 2am to resolve a dispute between one of the residents and her boyfriend; and then again at 3:30am when the boyfriend came back to burn the refuge down; and then finally at 6am to get those girls off to school.

Like so many in the sector, Lurline's role is unrelenting. She's 72 years old and she should have the option of retiring from paid work. But, for her, the price of a lifetime spent working in care is to be consigned to poverty in later life.

Lurline's story prompts me to ask: should poverty be the reward for a lifetime spent caring? Is that what we're really saying? She also reminded me that when we see injustice, we need to rewrite the rules.

- Now picture June and Emily. I'm in Fitzroy Crossing. Two strong Aboriginal women from the Kimberley who organise a women's bush camp to take action after 10 suicides in 10 months. They don't wait for government to step up. They find their own answers. This is their fight against alcohol misuse and its tragic consequences. Emily and June and the good women and

men who support them are protagonists, not passive recipients – shaping the solutions that work for their community, their way. Their stories stand in stark contrast to the stories so often told about Aboriginal women in the wider public discourse – the stories that we might expect. June and Emily's story teaches us that we must reimagine normal – challenge the stereotypes and assumptions upon which our belief systems are built.

- Now, let's see Maria:

I'm in Western Australia now. Maria's working hard in the construction industry. Many of us might take for granted the ability to have a career and also a family in the 21st century. But when Maria announces her pregnancy, her manager's was, "Your choice Maria – the job or the baby."

Maria's story teaches us that decisions made by those in power have an impact on individual lives; that work and care should not sit at opposite ends of one hard choice.

- And picture Jane:

I'm in Queensland. Jane is a young woman in our armed forces who excels in her training course with distinction – just the kind of women we need in our military. So, why is it that she's subjected to extreme bullying and exclusion? No one's speaking to her on exercise for weeks on end. Alone for meals in the military mess while her colleagues banter at the next table; turned backs.

Jane's participation in Australia's military comes at immense personal cost, but she finds the courage to speak out and in so doing, she reminds us that words can be powerful beyond belief.

- And finally, imagine this:

I'm in my office in Pitt Street. The phone's ringing. It's Margot, a woman who attended a lunch I spoke at the day before. She's a senior manager in one of the major banks and she's got more than 200 staff. But she still remembers her own story of growing up in a violent household, of wiping the blood from her mother's face, of taking her to the hospital, of the shame and the silence that surrounds family violence – a child wanting escape but seeing no options.

Margot's story reminds me, as one young woman living with domestic violence recently told me, "Freedom is something you can think about, talk about, write about, but if you have not experienced freedom you cannot feel her essence."



These are the stories that, when viewed as personal histories, can be seen as deeply dispiriting, deeply sad. Yet, eight years on I can confirm to you that they're not just done deeds; they are the voices that speak of Australians striving to create a better future.

How far have we come in really listening to these voices?

As I've travelled around, I've also heard much from men because I've made it my business to engage deeply with men. I've heard about the pressure they experience to conform to gender norms that don't just constrain women, but also men. Not to mention the barriers that men face when trying to dismantle them.

And I also hear about how men are impacted by the inequality that still exists for women.

Gender equality is not a battle of the sexes. It's a battle for equality: a battle that men and women must wage side-by-side.

### Where are we at today?

When I first came into my role I realised pretty quickly that I'd need to set up a strategic approach. I couldn't be reactive. I worked out on day one that I could spend my entire life as Sex Discrimination Commissioner just commenting on the difficult, inopportune remarks by politicians and others about gender. The fact is, every issue has a gender perspective. So it was really important to set a proactive program of work.

I set out across the country on my listening tour which was one of the great joys of the work that I've done. In the same spirit of inquiry that informs your decision-making, I combined an analysis of the hard data with the findings from my listening tour. This enabled me to set a Gender Equality Blueprint in 2008 to guide my work over my eight-year term. The blueprint covered five areas of focus – balancing paid work and caring responsibilities; ensuring women's lifetime economic security; promoting women in leadership; preventing violence against women and sexual harassment; and strengthening gender equality laws and agencies. It would become the guide that would steer my work over my eight-year term, about a Paid Parental Leave scheme for Australia together with the issues around work and care, ensuring women's lifetime economic independence, women in leadership, preventing violence and sexual harassment, and also making sure Australia had the strongest laws.

Eight years later, as I review progress against the blueprint, so much has changed.

- Australia now has a national Paid Parental Leave scheme. We also have a period of leave for dads and supporting partners.
- We have the right to request flexible work arrangements under the Industrial Relations Legislation.
- The number of women at leadership levels is increasing and, particularly, more than doubling on our company boards.
- We have one of the strongest repositories of data through the Workplace Gender Equality Agency from which to guide evidence-based policy.
- We're one of only three countries that now has strong data around pregnancy discrimination and sexual harassment.
- We have a much stronger Sex Discrimination Act.
- We have disruptive initiatives, like the Male Champions of Change. Not only that, I think leaders across Australia now recognise that high performance depends on achieving a strong level of gender diversity in organisations, and
- Most importantly, businesses and organisations now know that violence against women is also a workplace issue.

Yet the individual stories, and the bigger picture alike, both tell us that there's so much work still to be done.

We must turn our attention to the fact that:

- One-in-four women has been sexually harassed in the workplace in the last five years and two women a week this year have been murdered by their intimate partner as a result of domestic and family violence.
- The under-representation of women continues in leadership positions, in the community, in business, in the board rooms and in parliaments. Fewer big Australian companies are run by women than by men named Peter. Indeed, companies run by a Peter, a Michael, a David or an Andrew outnumber those run by women four to one.
- The majority of unpaid caring work, whether that's caring for children, or a family member or friend with disability – is undertaken by women.
- The gender pay gap, currently stands at \$700,000 a typical career, which is enough to buy an average Australian home. It shouldn't surprise us therefore that women have just over half the retirement income and savings of men.



My view is that everyone is entitled to their own opinions but not their own facts. The picture I've just painted of continuing inequality is not the ravings of the feminist left, but rather the hard facts as described by reputable bodies such as the Australian Bureau of Statistics.

Solving for gender diversity yields to all the same management disciplines that the business world employs to achieve goals:

- Individuals who make progress have a visible commitment to change: that's a starting point.
- They set targets to crystallise intent.
- They ensure that addressing gender diversity is part of a business strategy.
- They invest energy and capital through planned intervention.
- They learn about what interventions work and which ones don't. They course-correct. And then they start the cycle all over again.
- They don't lose sight of the goal: they achieve.

Gender diversity achievers are gender diversity leaders. Such leaders make a decision to step up and lead on this issue. And they don't give up when it's hard.

Just as the CEO who commits to the board to improve customer service, doesn't then front up at the board meeting the next week and say, "Look, you know what, I tried a few things. Trouble is, our customers don't seem to like us as much as I thought that they would, so maybe we could go back to focusing on costs."

But that's what I see everyday in this area. And what I do know is that if we are to make progress we must continue with the process of change.

### What have I learnt over the eight-year journey

So, let me just give you a few thoughts from the last eight years about creating change: I'll give you my learnings and you can add them to your learnings. Surely we can find a way to accelerate reform when the outcome is a greater use of both our talents.

### Number one: having influence

You don't have to be extraordinary to have influence. I'm a great example of that. One woman in the United Nations recently told me: she did what she could, when she could. That's how she changed the world. And I think that simple concept gives us such confidence and energy. Do what you can, when you can. It's a beacon of hope. It's a constant friend against all the complexities, trials, frustrations and morale-sapping slowness of trying to make a difference. So, do what you can when you can – that's how you change the world.

### Two: collaborate

You don't have to change the world alone.

I realised very early on when I came into my role that if I was going to help to advocate for a new Paid Parental Leave scheme, I'd need to reach out. So, I picked up the phone and I rang Sharan Burrow, the head of the union movement. And I rang Heather Ridout, head of the Australian Industry Group. And we found common ground.

Indeed, our joint opinion piece published shortly thereafter started with these words, "It is not often that the Australian Industry Group, the ACTU and the federal Sex Discrimination Commissioner agree..., but we all support ...a national, government-funded scheme of paid maternity leave."

Strong partnerships have been absolutely key to making progress throughout my years. And collaboration always brings insights – often a prerequisite to developing wisdom. The fact is, when you stake out common ground with others, that's when you create a strong foundation for future reform.

### Three: not all women start from the same position

The third thing I learnt was around intersectional discrimination: we're not a homogenous group, just like men aren't. Therefore, we must be wary of averages, of presenting a uniform picture, or of proposing a one-size-fits-all solution.

The fact is that certain groups of women represent the minority of the minority. And inequality will affect those who have less power to a much greater degree.



Take violence against women with disability, for example. You may know that in New South Wales last year, a man shot his three children and then his wife before taking his own life. The media reported that there were five victims.

No, there were four victims and one murderer.

As the late Stella Young wrote, “When we hear that a murdered wife is also a woman with a disability, we can find ourselves a little bit less horrified – as though her status as a disabled woman gives us a little more empathy towards the perpetrator of the violence. It really is victim-blaming at its worst.”

#### Four: actively and intentionally include

That fact is, if we don't actively and intentionally include women, the system will unintentionally exclude them. So, pouring in a few women and stirring is never going to be the solution.

We need some form of systemic intervention. The reason for that is, nearly every organisation in this nation is deeply rooted in a male way of being – that's the history of the organisation.

So we need to change the systems, the structures, if men and women are to thrive equally. And that's why targets matter. It doesn't matter so much what the target is: it's the act of setting a target and making it public. That's what's important. Targets and merit are not mutually exclusive. In fact, targets are necessary to allow women's merit to be revealed.

#### Five: data by itself is never enough

To create change you must take the case for change from people's heads to their hearts, with individual stories the spark that fuels a commitment to take action.

This means you have to operate on a couple of levels. On one level, you must pursue systemic change – reforming the broken systems of which you find yourself a part. On the other level, you have to value acts that correct injustice – that make another person's day a bit more kind, more just, more dignified.

It's right and necessary to hold your compassionate self with your strategic self. You can't be overwhelmed by the sadness, the powerlessness you might feel on hearing the stories, and I know this very strongly, personally.

Some days I just think, “Whoa, there is so much pain.” But, you know, on those days I say, “No, when you’re moved by what you hear, what you witness, you have to use that deep emotion to start to effect change.”

For example, part of my work has been driving the Male Champions of Change strategy. It’s a strategy where men step up beside women to move forward on gender equality. For many years we’ve focused solely on women’s leadership in organisations. But this year, the men decided they wanted to know more about violence against women and domestic violence.

So, we decided to start by bringing in two courageous survivors of domestic violence, Rosie Batty and Kristy McKellar – two exceptional women. The men heard about the pieces that are taken from you that can never be reclaimed, like the joy of seeing your son grow up. They began to understand that domestic violence is also a serious workplace issue as they heard about women struggling to hold down a job while living with domestic violence.

For Kristy, who was a senior manager running a big team, it was about hiding the bruises, finding that her husband had sawn the heels off her shoes to stop her getting to work, taking the car keys, hiding her mobile phone.

Since then, we’ve seen the Male Champions of Change really step-up on domestic violence and I’m really excited about some of the new initiatives that they’ll be announcing.

But perhaps the most crucial lesson I’ve learnt is:

### Six: engage power

Identify where power resides and then take the personal directly to its heart.

For example, in 2011, I led the review into the treatment of women in Australia’s Defence Force. I have to say, undertaking that role has been one of the great privileges of the work that I’ve done – working so deeply connected with Australia’s military.

As I travelled across Australia and beyond, a great many people told me stories – stories about how the ADF had served them well. That was the majority. Others, however, told deeply distressing stories – stories they had never told before. I started to understand that while it was important to document these stories, it was even more important that those who had the power to redress the wrongs – in other words, powerful men – heard these stories first hand.



So, what did we do? We arranged for the senior chiefs, the Chief of Army, Air Force, Navy, the senior people in the military, to actually stand in the shoes of women – women who loved the military as much as they did, but for whom service had come at an unacceptable personal cost. Those men needed to really understand what extreme exclusion feels like. What it's like to be on exercise for four months when no one speaks to you. What it's like to have sexually explicit images of you circulated around the base. What it's like to be ostracised because you had the courage to speak out.

And I'll never forget, never ever forget the first face-to-face session, the service chief sitting uncomfortably in his chair, the mother nervously escorting her daughter into the room, I'm sitting here, a box of tissues in the middle, and I think, "How do I kick this conversation off?"

It was that courageous young woman – she turned to the chief and she said, "Sir, I am so nervous." And he looked at her and said, "You know what? Believe me I'm scared, too." In that moment I knew we had a chance at change because it takes a courageous, authentic and compassionate military leader to admit that he fears what he's about to be told.

These sessions taught me that inclusion is not something that can be applied from outside. Inclusion must grow from within. When we prompt an insider to hear and feel exclusion's unwelcome consequence, we start to plant the seeds of inclusion.

### Seven: women's voices are important

Women's voices must elevate.

Leymah Gbowee, Liberian peace activist and winner of a Nobel Peace Prize, says, "There can be no legitimate conversation without the voices of women."

Or, as Rosie Batty told the Male Champions of Change, "Prior to Luke's death no one wanted to hear my story of living with violence. Now everybody does."

And I have to say, that was a sad day for me in the role because it indicated to me that when women living with violence speak, the system doesn't listen. So, one of the most important contributions we can all make is to give voice to those who have been silenced. To tell the individual stories that make the broader issue mean something more than just the data.

## Eight: the value of persistence

The fact is, not all progress has a watershed moment like the one I described to you in the military. Most progress comes on the back of many small intentional steps. And shaping a more gender-equal world is a journey characterised by persistence. It's a long and often winding road.

I've realised that to have influence, to create momentum, I have to have a strong belief in myself, both finding and maintaining courage. It is just as vital for women to be powerful and influential as it is for men.

## Nine: see the world as it is, rather than as we are

Often we must ignore the barbs and personal attacks because assaults like these stem from a fear of change. Respond to every person and every opinion with patience. Navigate hostile situations with compassion.

Too many experts roll up to organisations and want to change things before understanding the investment each individual has in what's already there. It's as true for you as it is for me: we need to seek to understand each individual's contribution to the existing structures and systems before we start to try and change them. After all, each of us sees the world as we are rather than as it is. We bring our own beliefs and experiences to every situation. It's like we show up to each new situation with a backpack of everything we've ever learnt.

We can't let our learnings and previous experiences constrain us. Don't be limited by your own experience. When it comes to gender equality, like anything else worth doing, think big, think creatively and rewrite the rules.

## Rewriting the rules – one story at a time

I began with the stories and I continued with my learnings, which I hope will give you some food-for-thought. But I don't want to leave you hanging without me imparting to you my deep sense of optimism for our continued work.

The stories as I've told them are incomplete. They lack a, "What happened next?" moment. I call this continuation, "rewriting the rules". Rewriting the rules can apply to the systemic level and an individual level.



The individuals whose stories I've shared with you have all rewritten the rules.

- Lurline, for example, may not be in possession of a solution for her own economic woes, having spent a lifetime in caring. But she continues to teach young women about the importance of economic independence – that a man is not a financial plan, that it is as important for women to have economic strength as it is for men.
- June and Emily and the women of Fitzroy Crossing succeed in getting alcohol restrictions in place across the 52 communities in the Fitzroy Valley. This led to a drop in domestic violence reports. They travelled with me to the UN to tell their story of rebuilding their community to the world and they have just finished Australia's first study of the number of children affected by alcohol.
- Maria has been involved in the development of a suite of tools for pregnant women, which we launched just last week with the unions, the employers and all the government agencies. So, we now know that every pregnant woman in this nation has access to comprehensive information about the period over pregnancy and parental leave. Not only that, now, every employer will have information about their obligations.
- And Jane? She's now the face of a women's recruitment campaign for the Defence Force. Her unit is now a model for inclusion, and the programs developed there are being rolled out across her service. She's currently serving for us in Afghanistan where she's engaging with Afghan civil society about their empowerment of women, and she texted me just recently. She said, "It brings a smile to my face thinking of the ongoing impact of deciding to share my story."
- And what about Margot? Well, the day when Margot called me in my office in Pitt Street, she found the courage to speak of her own experience. Margot said to me, "Liz, today I called all my staff together and instead of our regular 'town hall', we spoke about domestic and family violence – the prevalence data, the silence, the shame. I began by telling them my own story, a story I'd never told before. And I finished by saying to all my staff, 'I want you to do one thing – I want you to tell everyone in our bank my story, because in so doing I hope I give licence to others to tell theirs.'"

That day Margot found her voice. She recognised that out of tragedy comes immense power. Her bank is now one of our nation's leading banks in its response to domestic violence.

So, these women all rewrote the rules and in the process they began to understand that their words were powerful beyond measure. I fervently wish that their experiences had not been theirs, but I'm immensely grateful that they found the courage to share them with others.

### Gender equality is the unfinished business of the 21st century

Every week I hear examples of how the system has failed women, either individually or collectively, but it is those imperfections that teach us to make better decisions. I remind myself it is those imperfections that allow us to right the wrongs of a path and to work for a better future.

Dag Hammarskjöld, who was the second Secretary-General of the United Nations, once said, "The future is the horizon, but it's also the first step we take tomorrow."

Like the pioneers of the women's movement, the women whose stories I've shared with you today have taken the first steps. They're doing what they can, when they can. That's how they're changing the world.

This means we have cause for hope, because there will always be women and men of courage, because there will always be stories that engage both the head and the heart – stories that remind us that the personal is still, and always will be, political.

As Commissioner, I've had a wide-ranging responsibility to speak when I see unfairnesses, to disrupt the status quo, to create an opportunity for other women, to raise my son and daughter to believe that equality is the only path. This is an ongoing responsibility for all of us – not one that I'm going to set aside simply because I depart the role.

But just as for you, whatever comes next for me must have meaning. John Gardner, well-known social reformer and a man who set one of the most ambitious policy agendas in America's history (perhaps a Male Champion of Change in today's language). He once said, "Meaning is not something you stumble across, like the answer to a riddle or the prize in a treasure hunt. Meaning is something you build into your life. You build it out of your own past; out of your affections and loyalties; out of experience of humankind as it's passed on to you; out of your own talent and understanding. The things you believe in, the values for which you're willing to sacrifice something – the ingredients are there. You are the only one who can put them together into that unique pattern that will be your life."



A life without advocating for change is not a life that will have meaning for me.

I will continue to use my voice to create an Australia that welcomes women, an Australia that cherishes their voices and eagerly awaits their wisdom.

I will use my influence to create a world where a woman's value does not decrease because of another's inability to see her worth – a world where vulnerability transitions into power, where difference is celebrated, where leadership is shared, and where each half of humanity embraces and respects the other.

How will you use your voice?

Thank you.

> CEDA 2015 ANNUAL DINNER

> 17 NOVEMBER 2015

> SYDNEY



## Australia's economic reform challenge

The Hon. John Howard OM AC

Former Prime Minister of Australia  
Member, CEDA Board of Governors





At CEDA's Annual Dinner, former Prime Minister John Howard provided a frank and insightful account of key issues on the national agenda, from political volatility, international affairs to the difficulty of economic reform.

In addition, his speech provided insight into what 2016 may hold.

What I want to do tonight is not just go through a litany of all the economic changes I think are desirable, but to try and put into context the broader challenge of economic reform in this country.

Economic reform is not just a function of deciding what has to be changed to make the economy more productive and more competitive, because that is the simple goal and the simple objective.

You reform, not for its own sake, but to produce a more productive and more wealth-laden society; a better society for our citizens. In order to achieve those reforms we have to have an understanding not only of the economic context, but also of the political context.

I sometimes think that, in the debates we have about the desirability of economic reform, there's two parallel but quite separate debates going on: there's the debate in the business community, in academia and elsewhere, including in organisations such as CEDA, about what is desirable. And then there's almost a belief that once that's been decided, then, one way or another, the political process will take care of the reform.

It's been becoming increasingly apparent that this is not working.

One reason is that the political atmosphere of this country, along with the atmosphere of politics around the Western world, has changed enormously over the last 20 or 30 years. I don't mean that we now have a Coalition government, and we once had a Labor government, and before that we had a Coalition government, before that again we had a Labor government ...

I mean that the whole infrastructure of politics has changed an enormous amount. And unless all of us as a community have an understanding of some of those changes, we won't necessarily reach the right conclusions about how to go about implementing economic change.

### Bipartisanship

One of the things that I want to say at the outset is that, as much as we might wish it were otherwise, bipartisanship, meaning agreement between the Coalition and the Labor Party, on major economic issues in Australia has been fairly rare.

There was a period in the 1980s when the Labor Party was in power. To his credit, Bob Hawke as Prime Minister, along with the support of his then Treasurer Paul Keating, introduced a number of very significant and long-lasting economic reforms. Most, but not all, of those reforms were supported by the then Coalition.

I remember, for example, the very day that Paul Keating announced that the Australian dollar would float – in my view, the most profound economic policy change in my lifetime. The floating of the dollar opened up the Australian economy in a way it had not previously been opened to the world economy.

It wasn't the hardest economic reform of that long period of economic reform. The harder one to introduce, I have to say, was the GST because the GST affected everybody's lifestyle. The value of the dollar had changed before the float, but instead of the change being implemented by the market, it was implemented by government fiat, which of course came to be recognised as a wholly imperfect way of regulating our exchange rate.

When it was announced, I was able to say when interviewed that evening that on behalf of the Coalition in opposition the government had taken a correct and courageous decision.

And so it was that we were able to support a number of major changes, including I think the most courageous economic change of all that the Labor government introduced – to reduce tariffs. That was a tough call for a party that had its whole political base in the trade union movement. But we saw the wisdom of that, and we gave them support.

Now, I have to say that that sort of thing was not really to be repeated.

After 1996, when my government won office, and having said some kind things about my Labor opponents, I now remind the audience that when we got into office in 1996, the bipartisanship that we extended when we were in opposition was not to be repeated.

All of our changes, including massive changes to the tax system, were opposed tooth and nail.

### The new political environment

But the other thing that we have to understand about the political atmosphere, as well as the rarity of bipartisanship, one other very significant thing that is overlooked in a lot of the discussion relates to the behaviour of the Senate at the present time.

I have to say that both Tony Abbott as Prime Minister had a harder time with the Senate than I had, and so too will Malcolm Turnbull also as Prime Minister.

That's because the principal cross-bench party when I became Prime Minister in 1996 was the Australian Democrats. And the Australian Democrats were, although not, from my point of view, the perfect party to deal with when it came to economic reform, they were a damn sight easier to deal with than the Australian Greens.

And I think this is important. I think it's overlooked. If you address the political spectrum in Australia you have to locate the Greens to the left of the Labor Party, whereas you'd have placed the Australian Democrats somewhere between the Coalition and the Labor Party, certainly closer to the Labor Party than to the Coalition.

But the significance was that in 1996, Peter Reith was able to negotiate our workplace relations changes with Cheryl Kernot, the then leader of the Australian Democrats. And again, of historically still much greater importance, we were able to negotiate with the Australian Democrats 80 per cent of the Goods and Services Tax package that we had taken to the 1998 election.

I think it's important to bear this in mind when we look at the context of the difficulties that any government has in dealing with an upper house that it doesn't control.

One of the other even more important things to understand about the politics of Australia in 2015, is that it's a lot less tribal than it used to be.

The rusted-on support for the Coalition is weaker now than it was when I first got involved in politics in the late 1950s and into the '60s. And the same can be said of the Labor Party (as those in this room more familiar with the Labor side of politics will know). The rusted on support for the Labor Party is a lot less than it was.

When I was first getting involved in politics, I used to think there was a 40/40/20 rule that had nothing whatever to do with taxation entitlements, insurance companies or life offices. It had everything to do with the fact that 40 per cent of the population always voted Labor; 40 per cent always voted for us; and 20 per cent sloshed around in the middle.

I now think when I watch the volatility of Australian politics ... and if you think Australian politics is not volatile, think of what happened in Queensland in the last state election compared with the previous one, and the volatility that occurred in Victoria. We used to think that every government was guaranteed at least a second term. That's no longer the case.

I now think it's something like a 30/30/40 rule. You only have 30 per cent who always vote for us, and 30 per cent for the others, and the others move around.

Let me just give you one other statistic: in 1966 ... why do I choose 1966? Many of you in this room weren't alive in 1966, but those who were might remember it was the election when Harold Holt defeated Arthur Calwell. That particular election actually recorded the highest two-party preferred vote for either side of politics since the end of World War II. And on that occasion, the Labor Party, although it was defeated, still secured 40 per cent of the primary vote. Whereas, in 2013 when Tony Abbott defeated Kevin Rudd, Labor only got 33 per cent of the primary vote.

Now, all of that suggests that on both sides there's been a disaggregation; a falling away. And why is that relevant? Because it's reflected in the composition of the Senate.

The Senate has a voting system called Proportional Representation, which directly reflects (more so than in the House of Representatives) those proportions of the population who vote in a particular direction. It's very, very important to bear that in mind.

And it's also very important when many of you get frustrated about the fact that a party polling only 000.3 per cent of the vote can still have somebody elected to the Senate. And you can have a preference whisperer going around and gathering up all of these second preferences.

So you ask, "What's the solution to this?" The solution to this is to change the voting system in the Senate.

Now, I'm not necessarily against changing the voting system in the Senate. But if you want to change the voting system in the Senate, you must be careful what you wish for. Be very careful because if you change the Senate voting system to eliminate the micro parties, what you will probably do is increase the likelihood of more Australian Greens members being elected.

Many of you in this room may think that's a good idea, and I respect that.

Actually ... no I don't, because I think the Australian Greens are enemies of economic reform. There may be some Australian Greens' causes that appeal to you, but economic reform is not their long suit, even though their new leader appears to me to be a far more reasonable and certainly a very articulate man.

The other thing I should remind you of is that, these days, the membership of political parties is a lot less representative of the community that votes for them. Political party memberships are lower than they used to be, despite their denials, and this applies to both major parties. There's a lot more factionalism in political parties now, and once again that's not just the Labor Party: there's plenty of factionalism in the Liberal Party, and it has undesirable consequences just as it does in the Labor Party.

And this is not confined to Australia.

One of the phenomena of modern politics is that the membership gets pushed to the extremes. For example, in the United States you get the Tea Party. As you would expect, I am broadly sympathetic with the American Republican Party. Not always, but broadly. But some of them are far too extreme for me and I've occasionally been accused of being a bit conservative.

And the same thing applies to the Democrats. I notice in the current US primaries it's not much of a contest for the Democrats: I think Hillary will win. She'll win the primary, but the big one is a different matter. But, the Democrats have got a man called Sanders, and he is running as a self-styled Democratic Socialist. I don't think any of his illustrious predecessors as Democratic candidates ... Roosevelt, Truman, Kennedy, Johnson, Carter or Clinton ... would ever have called themselves a Democratic Socialist!

And then, of course, if you really want a spectacular example of how the membership of a political party can produce a result that's out of whack with the expectations of those who might vote for it, you cross the Atlantic to London and you meet Mr Jeremy Corbyn. He is an extraordinary example of just how crazy the political process has become. This man has no hope of winning.

Mr Corbyn does not represent the generality of people who might not only continue to vote Labor in Britain, but might come over to vote Labour in Britain. He spends much of his time deriding Britain's most successful Labour Party leader in 100 years, namely Tony Blair. At least Tony Blair won three elections, which I think will escape Mr Corbyn's grasp.

Why do I mention this? I mention it because it tells us that the behaviour of political parties is less predictable now; the atmosphere is a great deal more fragmented than it used to be.

On a final note, because it often comes up in the context of this broad debate, I hope that the party that I am still proud to belong to, and I had the privilege of leading for 16 years, never falls for the temptation of taking away from the parliamentary party the sole right to choose its leader. I think these mixed ways of choosing leaders are crazy.

The principal responsibility of a leader in a Westminster system is to lead the members of parliament: it occupies most if not all of the time of the person who may fulfil that job.

And let me just give you a retrospective piece of field evidence for that: over the years the British Conservative Party has had all sorts of ways of electing their leaders. They once used to do it by a mysterious, almost ecclesiastical laying-of-hands process: the outgoing leader would go to Buckingham Palace and say, "The chaps have met. We think you ought to call so-and-so to form a new government".

Then they changed to involve the parliamentary party. They went through a period where the decision was made solely by the parliamentary party, followed by a fused system where the party membership got involved as well.

It was during the time when the members of parliament alone had the say, that the extraordinary Margaret Thatcher emerged. I pose the retrospective question: where might British politics have been if they'd had a different system? Because, if they'd involved the constituency branches and association, they would almost certainly have voted to retain Ted Heath — there's always a natural, built-in loyalty amongst party members towards the man or woman who's already there.

I mention all these things to make the point that the atmosphere in which Western politics has developed is perpetuated around the world: what I say about Australia can be found in Britain, in New Zealand, in Canada, and in the United States. I think it's very important we understand that the environment now is more complex.

As far as the Senate is concerned, it's also very important to remember that the basis of today's reality, whereby the government in power rarely has control of the Senate, can be found in the introduction of the Proportional Representation System way back in 1949, and also in the 1984 decision to increase the size of the Senate to 12 from each state.

Interestingly enough, 12 divided by two gives you six, and Senators are elected for six year terms. If you have an even number retiring every three years, as they must under the Constitution, then it's very, very hard to win four out of six. Previously, where the number of Senators from each state was 10 and you had five retiring every three years ... it was much easier to win three out of five than it is now to win four out of six. We fluked it in 2004 when we got four out of six in Queensland, but that was unexpected. Even though we had very solid majorities, it was very difficult.

Now, I know that sounds like a bit like a political science lecture, and perhaps it is. Perhaps that's not entirely what you expected to hear tonight. But I think it's important to understand that the political environment has not produced continuity over the last 30 or 40 years.

It's changed a great deal, and the whole political environment is now more fragmented.

Today, there are far more single issues that determine how people vote, and both political parties have to grapple with this. The old left/right divide that was fairly easily defined according to whether you more or less thought the government should intervene more heavily in the economy than not, and you had simplistically different views on some external relations issues, has gone.

### The good news

Having said all of that, the good news, the really good news about the cause of economic reform is that, in my opinion, nothing has altered the fact that Australians will vote and support economic reform if it satisfies two conditions. They have to be satisfied that:

Firstly, the reform is in the interests of Australia.

- I found a fairly straightforward endearing patriotism about most Australians, whether they voted for me or couldn't stand the sight of me, when it came to economic reforms. If they thought it was good for the country, they would go along with it. That's not to say they suspended self-interest. No, their patriotism didn't extend that far, they weren't going to suspend self-interest. But they were prepared to go along with it, provided it was in the interests of the country.

And, secondly, the reform is fundamentally fair.

- Australians do pride themselves on the "fair go", and it's real life. One of the take-outs I had from 11 and a half years as Prime Minister was that Australians do believe in a "fair go". When they think something is unfair, they react against it, no matter who it's coming from.

So the good news is that I think Australians will support economic reform if the reforms are seen as good for Australia, and they're also seen as fair.



I think the other important thing to bear in mind when we're addressing economic reform is that the world economic environment now is very different from earlier periods of reform. I'm not saying that inflation won't return, but in many countries *deflation* is now the challenge. It's certainly the challenge in Japan and it's seen as the challenge in many countries in Europe. And there are signs that we are, at least for a period of time, in a new economic paradigm.

We've had years and years of what is euphemistically called "quantitative easing". It used to be known by the expression "money printing" and you've had Central Banks around the world furiously printing money. The system in many parts of the world is almost awash with liquidity. Yet there hasn't been the response that I might have expected 20 or 30 years ago, or even 10 or 15 years ago. So I think there are signs that we are living in a new economic paradigm.

There's no doubt that, in Australia, we are in the process of transitioning from a very heavy reliance on our resource industries to a more diversified economy. And that transition is essential.

But, and that's a very emphatic and loud *but*, in the process we should not imagine that we won't be relying heavily on our resource industries for years into the future.

Our resource industries have certainly been the economic saviour of this country over the last 20 or 30 years. I look back with almost disbelief on a World Economic Forum Conference that was held in Melbourne on the eve of the Sydney Olympic Games. The take-out from that conference, according to the contributions of many people who were there, was that Australia had a problem because it relied too heavily on old industries – mining and agriculture. Now that was the year 2000, and we were berated. We were told that if we didn't develop new industries to replace old industries, then we faced a very bleak economic future.

So, as a general observation about economic reform, we've got to be certain that in the process of transitioning and reforming our economy, we don't do any gratuitous damage. And this applies particularly to policies related to climate change – we don't want to do any gratuitous damage to our resource industries.

The other exhortation I would make to our economic managers, and it's nice to be in a position to make exhortations to economic managers, having been in receipt of many exhortations over the years, is that we've got to keep a sense of balance about the economic challenges we face.

One of the reasons why Australia has been a successful country is that, as a people and in relation to policy, we have always achieved a wonderful balance. We have far more balance in our social policies, including education and health as well as welfare, than most European countries and the United States.

Our welfare policies, often heavily attacked, are a lot better than many (including perhaps some in this room) would believe. Speaking generally, they are not as harsh as the welfare policies of the United States. I have enormous affection and admiration for the United States, but I think their social welfare policies in some areas are too harsh. Texas, a state I visit a great deal, has the same population as Australia, but it has a prison population of 100,000.<sup>1</sup> Now, some of those inmates are there simply because out of desperation to survive they've committed crimes. Not the majority of them, but *some*.

Our welfare policies are not as harsh as those of the Americans, but they're also not as paternalistic as those of the Europeans either.

Along with everybody else in the room, I feel enormous compassion at the present time for the people of France, and I feel for President Hollande and the enormous challenge he faces. But it doesn't stop me mentioning to you that, at the last election, one of his party's campaign promises was to lower the retirement age from 62 to 60. Now ... the idea that a country such as France with a declining birth rate should actually be lowering, rather than thinking about increasing the retirement age, is absurdly unrealistic.

And if you think that our social welfare policies are too indulgent, and I know many do, let me just give you a statistic from a 2014 OECD survey. It showed that the highest percentile of cash payments in Australia went to the lowest quintile, and that is 42 per cent. And the lowest percentage of those cash transfers went to the highest quintile, which was only four per cent.

Which indicates that our welfare system, by broad international comparison, with all its faults, and it's got plenty and it can be reformed and made less expensive and better, is still essentially lean, but certainly not mean.

Having said that, Australia does have a spending problem. While I wouldn't want anyone in this room to think that the biggest challenge we have on the budget front is still our level of expenditure, we can't be complacent about debt. Although we are still below the OECD average when it comes to debt-to-GDP, we've fallen quite a bit in the last three years on that comparison. Some of that is due to the fact that other countries slipped earlier, and we're sort of catching up with some of the slippage, but it's still a cause of concern.

## Tax reform

It's hard not to notice, that a community debate on taxation reform is underway. These debates take a long time to work their way through.

I'm not suggesting that this debate will take as long as the GST debate took. The GST was first recommended in the Asprey Report on taxation reform in 1975 that essentially recommended a broad base indirect tax and lower personal income tax. It was 25 years before that was implemented.

I don't think this debate will take 25 years. I don't think it will take 25 months. I won't go any lower though, as to when the next round of tax reform will happen in Australia.

Now, tax reform should not become a lazy way of increasing revenue, and an escape from making difficult decisions on the expenditure front, as I think Angus Taylor, the Liberal member for Hume, said. Tax reform should be about improving the quality, fairness and effectiveness of revenue collection for the necessary services of government.

There are a number of things that are fundamental to this. First and foremost is that, in this country, we still rely far too heavily on personal taxation as a source of revenue. Our corporate tax rate does not compare well with the corporate tax rates of many of our competitors. It's too high. And our marginal tax rates are also far too high. The top rate in itself is high but it also cuts in at a lower threshold than in many countries with which it is fair to make comparison.

So it's fundamental to any sensible tax reform that there must be a further shift in the mix between direct and indirect taxation.

Something else about our personal taxation system which has been (some might think) a hobby horse of mine ... we should preserve both the horizontal equity of the personal taxation system as well as the vertical equity. I have long believed that the personal tax system should recognise that people who support people in addition to themselves should get some recognition in the tax system for that. And for decades that's been a cornerstone of our taxation system.

It was my government that introduced the Family Tax Benefit system, and I did that very deliberately because I felt that the treatment of families under the tax system had fallen behind. I don't regard Family Tax Benefits as welfare payments: I regard them as tax breaks for the costs of having children. We all

know from our own experience that the additional cost commences on the day children are born, and it never ends. I think it's important therefore that we bear some of those things in mind.

I think any reform of the indirect tax system (if it is to come about) must not produce an increase in the overall taxation burden and obviously it must be politically acceptable – we were reminded by the Ipsos Poll in *The Australian Financial Review* and the *Sydney Morning Herald* this morning of just how sensitive the electorate is to any connection between personal income tax levels and changes to the indirect tax system.

I think it's also important that we understand the role of the states in the process. All of the GST revenue now goes to the states. It's a pity that the original form of the GST in 1998 did not pass through the Senate, but that's history, and it has to be addressed as part of any future.

I applaud the fact that the Government, and the Prime Minister in particular, have encouraged an open debate on this issue. You can actually debate these sorts of issues in Australia without the world coming apart and the roof falling in. And I do think it's a good idea, as the Prime Minister has said, that we don't get into the rule in/rule out game with taxation reform.

There is just one other matter that I wanted to mention in the area of reform. It's a lifelong policy interest of mine (some would call it an obsession) and that's industrial relations reform. I do think we're deluding ourselves if we can persist years into the future with an industrial relations system whereby an organisational structure that now represents only 15 per cent of the workforce still has an effective monopoly on the bargaining process. And this is of particular significance to small business.

It's been off the agenda for the last few years because I think, first and foremost, the Coalition was spooked from the outcome of the 2007 election about the unpalatable nature of any kind of industrial relations changes, and it dropped off our agenda.

One of the fallouts of the global financial downturn was a suppression of real wage growth. Real wages have remained flat, and that's been of short term benefit to the economy. It's now part of the new paradigm we're living in — that you can have this suppression of wages and yet not get some of the associated economic benefits that might have been assumed 10 or 20 years ago. But I do think that we will need to return to industrial relations reform.

## Concluding remarks

The last word I have about economic reform borrows from a comment that was made by that wonderful person, Mother Teresa.

Somebody asked her, “How do you cope with all these problems?” And she replied, “One at a time”.

And when you think about it, there’s a message in that for economic reformers.

I think we should isolate those economic reforms that we need to focus on — the ones that are most important — and let’s deal with them. Let’s do them one at a time.

It’s pretty obvious to me at the moment that the economic reform people regard as the most important is taxation reform.

I hope, in the months and the years ahead, that we see a very willing debate on taxation reform alongside some of the principles that I’ve mentioned.

Australians will support taxation reform if it can be demonstrated that it’s in the public interest, and it’s fundamentally fair. And I’m optimistic that the conditions for that are returning.

I certainly hope that we might adopt the principle of “one at a time”, and that we focus on it in the next few months and in the years ahead.

Thank you.

---

### Endnote

<sup>1</sup> The Australian Bureau of Statistics reports Australia’s 2014 total prison population at 33,791 – 185.6 prisoners per 100,000 adult population.

# Acknowledgements

CEDA would like to thank the contribution of the following members who have sponsored CEDA events in 2015.

Each year CEDA delivers more than 300 events across Australia with leading thinkers from business, politics, government and academia. These events provide an opportunity for attendees to be informed and to discuss the critical policy issues facing Australia.

Without the additional support of sponsors CEDA could not deliver this ambitious events program.

ABB Australia

ACIL Allen Consulting

Adelaide Airport

Advisian

AECOM

AIPE

Allens

APPEA

Arnold Bloch Leibler

Arup

Ashurst

Asciano

Aurizon

AusNet Services

Australian Unity

Australian National University

Bankwest

Bankwest Curtin Economics Centre

BHP Billiton  
Broadspectrum  
Brookfield Rail  
Business News  
Bupa  
Cardno  
Casey Cardinia Region  
CBH Group  
Chamber of Minerals and Energy of  
Western Australia  
Chartered Accountants Australia  
and New Zealand  
City of Gold Coast  
City of Ipswich  
Comunet  
ConocoPhillips  
Coal Services  
Colin Biggers & Paisley  
Commonwealth Bank of Australia  
CSC  
CSL  
Curtin University  
Defence Housing Australia  
Deloitte  
Energy Safe Victoria  
Engineers Australia

Ergon Energy  
Export Finance and Insurance  
Corporation  
ExxonMobil  
EY  
Finlaysons  
Flinders University  
Folk  
Fragomen  
Gascoyne Development Commission  
Georgiou Group  
GHD  
Gilbert + Tobin  
Griffith University  
GSK  
HASSELL  
Health Partners  
Herbert Smith Freehills  
Hesta  
Homesafe Solutions  
Horizon Power  
Hood Sweeney  
Hunter Water Corporation  
Hyatt Regency Perth  
Hydro Tasmania  
IBM

INPEX	Nous Group
Ipswich City Council	Origin Energy
James Cook University	Pawsey Supercomputing Centre
Jemena	Perth Airport
John Holland	Pilbara Development Commission
Johnson & Johnson	Plenary Group
Kimberley Development Commission	Pritchard Francis
King & Wood Mallesons	Programmed Group
KPMG	PwC Australia
LandCorp	Queensland Airports Limited
La Trobe University	RAA
Leaders Institute of SA	RAC of WA
Lendlease	RDA Hunter
Maddocks	Regional Development Victoria
Manpower Group Australia and New Zealand	Rio Tinto
McConnell Dowell	RMIT University
McCullough Robertson Lawyers	RPS
McKinsey & Company	RSM
MinterEllison	SA Department of Environment, Water and Natural Resources
Mitsubishi Australia	SA Department of State Development
Murdoch University	SafeWork SA
MyState	SAP Australia
NAB	Serco Australia
Navitas	Shell
Northern Territory Department of Education	Siemens



Stellar Asia Pacific  
Stockland  
Surveyors Board SA  
Sydney Airport  
Synergy  
Telstra  
360 Environmental  
TransGrid  
Trility  
University of Melbourne  
University of Newcastle  
University of Queensland  
University of South Australia  
University of Southern Queensland

University of Sydney  
University of Technology Sydney  
University of Western Australia  
Victoria University  
WA Department of Water  
WA Department of Regional  
Development  
WA Super  
Western Power  
Westpac  
Woodside  
Workskil Australia  
WSP Parsons Brinckerhoff

**National**

Level 13, 440 Collins Street  
Melbourne VIC 3000  
GPO Box 2117  
Melbourne VIC 3001  
Telephone 03 9662 3544  
Email [info@ceda.com.au](mailto:info@ceda.com.au)

**South Australia and the Northern Territory**

Level 5  
2 Ebenezer Place  
Adelaide SA 5000  
Telephone 08 8211 7222  
Email [info@ceda.com.au](mailto:info@ceda.com.au)

**New South Wales and the ACT**

Level 14  
The John Hunter Building  
9 Hunter Street  
Sydney NSW 2000  
GPO Box 2100  
Sydney NSW 2001  
Telephone 02 9299 7022  
Email [info@ceda.com.au](mailto:info@ceda.com.au)

**Victoria and Tasmania**

Level 13  
440 Collins Street  
Melbourne VIC 3000  
GPO Box 2117  
Melbourne VIC 3001  
Telephone 03 9662 3544  
Email [info@ceda.com.au](mailto:info@ceda.com.au)

**Queensland**

Level 17, 300 Adelaide Street  
Brisbane QLD 4000  
GPO Box 2900  
Brisbane QLD 4001  
Telephone 07 3229 9955  
Email [info@ceda.com.au](mailto:info@ceda.com.au)

**Western Australia**

Level 5  
105 St Georges Terrace  
Perth WA 6000  
PO Box 5631  
St Georges Tce  
Perth WA 6831  
Telephone 08 9226 4799  
Email [info@ceda.com.au](mailto:info@ceda.com.au)



committee for economic development of australia