# evolve THE MAGAZINE FOR VICTORIAN LABOR SUPPORTERS **A FRESH START** MEET THE MAN LEADING LABOR BACK TO GOVERNMENT LABOR VOLUNTEERS IN THE COMMUNITY HOW MONEY IS BUYING ELECTIONS Victorian Labor **JULY 2011**





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#### IT'S TIME TO TALK

One of Victorian Labor's greatest strengths is your voice. And we want to hear from you.

This magazine is an opportunity to start a conversation on an issue important to you. Lately, we're hearing a lot about gay marriage and a carbon tax. They're important. But they're not the only issues people are talking about.

We'd like to hear from you about what's important to you. What's important to your family. And what Labor can or should be doing to create a better society for everyone.

The articles published in this issue are a starting point. They include an interview with Labor leader, Daniel Andrews and an insight into who Labor's membership are today. We also find out how volunteering to save lives led Craigieburn member Casey Nunn to join the Labor Party and we ask members whether nuclear power is an option.

But it's all about the conversation afterwards.

We want Evolve to be an opportunity for members to start an exchange of views that can continue into other forums, online or otherwise. It's these discussions and the ideas they create that have lead to every great Labor achievement so far.

So have a look at the magazine. Pass it to your friends and family. Send us an email (evolve@vic.alp.org.au) or contact us online. Take the opportunity to have your say.

## DID YOU WANT TO SUBMIT AN ARTICLE FOR THE NEXT ISSUE?

Great! We're always looking for more articles, ideally 4-800 words in length.

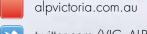
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## MAKING A DIFFERENCE

FOR CRAIGIEBURN
MEMBER CASEY NUNN,
IT WASN'T MEETING
BOB HAWKE THAT LED
HER TO JOINING THE
LABOR PARTY - IT WAS
VOLUNTEERING TO
HELP SAVE LIVES.

Casey works as a volunteer for the Craigieburn Community Emergency Response Team (CERT), responding to emergency calls two nights a week when an ambulance is not locally available.

During a shift, CERT volunteers can find themselves at the scene of a car accident, drug overdose or even a suicide attempt. It is their responsibility to provide initial first aid and care to a patient until an ambulance can arrive.

"You never know what you will find on a call," Casey says. A veteran with the team, Casey has been 'on call' for close to 10 years.

She joined CERT after a suggestion from a friend who thought it would be a good fit for her interest in community work. In 2011, she was awarded the highest honour in Australian ambulance services, an Ambulance Service Medal.

"Some calls are more stressful than others, and the reassurance you provide can be as important as the first aid."

"One call I attended involved a man who had split his head open and was bleeding quite profusely when we arrived. He was relatively ok and my partner patched him up. But he had a mentally disabled granddaughter who was really distressed by his injury."

"I spent most of the time consoling her because she was so overwhelmed by what happened."

"She was so grateful to me because I took the time to explain to her what was going on. As much as her granddad was bleeding, she was really the one who needed the attention because she was just so scared and shocked by the blood."



That call is a fond memory for Casey. It stands out for her because she says there are many more nights where things don't end quite so well.

"In ten years, I have seen some truly heartbreaking and gut-wrenching scenes. I haven't seen many happy endings and more times than I care to remember, I have had to console people whose loved ones don't make it."

"Cases involving children can be particularly hard. There's been times where I've been just as relieved as the patient's family to see the ambulance arrive."

"I've been to calls where we'd encounter parents who didn't know what to do for their injured child. For them it was horrible, and terrifying. I think that feeling of helplessness made them more frantic."

Attending those calls led Casey to establish a first aid training program for young mothers supported by CERT. The course was so popular, additional classes were added in the evenings to teach their husbands as well.

In addition to teaching important skills, the course was a way to help Casey deal with the emotional effects of her job.

After attending a call, CERT volunteers stand down and return to their homes, rather than a central station. Often, that means going back to bed and trying to sleep, something that can be quite difficult.

"I've found myself replaying a call over in my mind, trying to work out what I could have done or if there was anything I could have done better. It's something that you struggle with, but over the years I've learnt to deal with it. I think you have to, if you want to be able to do this job."

There are no wages, no meal allowances and often, very little sleep for volunteers when they are on duty. Shifts usually run from 8pm until 7am, with volunteers doing two or three shifts during the week.

Many of Casey's unit juggle the pressure and emotional impact of their CERT role with a full-time job. One of the youngest teams in the state, Casey's colleagues include a teacher, student paramedics and a former truck driver who is now training as a paramedic.

For Casey, CERT has given her as much, if not more, than she has put in.

"CERT has taught me skills I could not have learnt any other way. It's not just the first aid skills. You have to learn how to deal with situations of extreme pressure, be able to think on your feet and communicate effectively when the heat is on."

Continued over page...



"I'm proud to wear the CERT uniform.
Being trusted to care for people in
distress is a great responsibility.
Every call I attend, I know I'm
helping to make a difference."

CERT isn't Casey's only involvement with her local community. When she was 16, she volunteered at a local retirement home through the St John's visiting friends program. And together with her husband Daniel, she was also heavily involved in the local CFA brigade.

Casey joined the Labor Party when she was 21, after her local Member of Parliament, Liz Beattie, wrote to congratulate her on a Hume City Council award she received for her work with CERT. She is now President of the Craigieburn branch.

"I'd thought about joining the Party before, but I'd never actually done it. My family have always been Labor people. My parents both grew up in Dallas and moved to Craigieburn."

"I grew up in an area that didn't have the best services. I've seen what a difference having them can make. I live in a relatively new suburb and I want us to have everything that so many other areas have. When I have kids, I want them to have access to the best schools. I think the Labor Party is the best party ... the only party that will do that."

As she grew up, Casey also found it hard to get away from her other link with the Labor Party.

"When I was 6 months old, I was the baby that Bob Hawke kissed on the campaign trail."



"He was prime minister at the time and Labor had just built the first secondary school in our area. Mum was passing, saw the crowd and wondered what was going on. He

came around to meet everyone. He shook mum's hand and kissed me."

It's a story that she's heard her mother proudly tell over and over, but it wasn't until very recently that

Casey got to meet the man she'd heard about all her life.

"When they were up here last year, I kissed Hawkie back. I've got a photo of that." •

In 2010 the Craigieburn CERT Team attended 429 calls and reduced ambulance waiting times by over 36 hours. For more information on becoming a CERT volunteer member in your area, you can contact Ambulance Victoria on 03 5338 5095.

# INTERNATIONAL POLITICS OBSERVED



#### **NEW ZEALAND**

New Zealand's Labour Party is planning two election campaigns leading up to polling day on November 26 this year.

One campaign will be the official election campaign period which will commence when writs are issued on 26 October

The second will be a much earlier strike before the Rugby World Cup absorbs voters' attention – and ramps up advertising costs for billboard space. Running between 8 September and 23 October, the World Cup will dominate both media coverage and conversations around the water cooler.

This includes Labour's new economic and tax policies, which have been released ahead of the World Cup to ensure the public will have time to absorb what finance spokesman David Cunliffe promised earlier this year to be a "bold and serious" change of direction.

On the plus side, their Grand Final won't have to be replayed a week later if it's a draw.



#### CANADA

In a shock result at the recent Canadian election, the conservatives have won their first outright parliamentary majority in both houses since the early 1990s.

After forming a minority government in 2006, Conservative Prime Minister

Stephen Harper's party has now taken control of both houses of parliament. The victory also saw the Conservative Party decimate the centre/centre-left Liberal Party of Canada which lost 43 seats in the House of Commons.

In an election rife with historic firsts, Canada's Green Party also won their first ever seat and the nationalist Bloc Quebecois party lost official party status, along with nearly all its seats.

The election result ends five years of minority government.



#### UNITED KINGDOM

## Conservatives - "the greenest government ever in Britain"?

Britain's conservative government has unveiled a plan to legislate its carbon emissions reduction target to 50 per cent on 1990 levels by 2027. It is also aiming to reduce emissions by 80 per cent by 2050.

The ambitious plan, which was hotly debated by cabinet, has been applauded by environmental groups and praised by the European Union's Climate Action Commissioner, Connie Hedegaard as "an outstanding example of strong willingness to act despite difficult economic times."

However, British prime minister David Cameron has indicated the scheme will be reviewed in 2014 if the European Union hasn't taken similar action.

"It doesn't actually help climate change if you simply drive an energy intensive industry to locate in Poland rather than Britain," Cameron told lawmakers. "We believe that Europe should follow our lead and go for a 30 percent reduction."

"So there is a review clause in what is being announced in 2014 to make sure that if they are not on that pathway, then we shouldn't put ourselves on it too."



#### SPAIN

## "We are not against the system, the system is against us"

About 28,000 protesters demonstrating against Spain's politicians defied a ban to disperse ahead of regional elections.

Mostly young people, the protesters were protesting across the country over a perceived lack of action by politicians from major parties to improve things for a population struggling with the economic crisis. The country's jobless rate is at 21 per cent.

The protests started on May 15 and gained momentum, spreading across the country. In addition to complaints about the economy, the protesters were also calling for a better judiciary, an end to political corruption and an overhaul of the political system.

This includes ending a system where candidates are selected internally by the parties before an election, rather than chosen directly by voters.

Despite the protests, most voters supported a major political party. Groundswell public sentiment resulted in the conservative Popular Party smashing Spain's Socialist Workers Party by over 2 million votes.

President Rodriquez Zapatero, who is not expected to seek re-election next year at the country's general election, attributed the result to the economic crisis.

DANIEL ANDREWS IS HAPPY WITH THE START ESSENDON MADE THIS YEAR. ALTHOUGH HE'S GOTTEN USED TO DISAPPOINTMENT AROUND FINALS TIME, HE'S CONFIDENT THIS YEAR IS ESSENDON'S YEAR.

HE'S ALSO HAPPY WITH THE START HIS TEAM HAVE MADE IN OPPOSITION. AFTER LAST YEAR'S STATE ELECTION DEFEAT, DANIEL HAS EMBRACED LABOR'S NEW ROLE.

# A FRESH START

"It sounds a bit clichéd, but holding the government to account for the commitments it made, each and every one of them, is a really important role. We take that responsibility seriously. If we don't do that job well, people suffer. They don't get the government that they should get."

At 38, the father of three is one of the youngest party leaders Victorian Labor has ever had. And he is determined to hold the Baillieu Government to their promises, including Mr Baillieu's promise to significantly lower the cost of living.

So far, Daniel is yet to see much evidence of any action.

"I know what it's like to have young kids, to have a mortgage, to live in middle Melbourne, because that's my life. This Government has failed to deliver a plan on how they will support Victorian families."

Daniel lives in his electorate of Mulgrave with wife Catherine and their three children Grace, Joseph and Noah., he says it can be difficult to juggle the demands of family and work, particularly during parliamentary sitting weeks, but it's something he makes a priority.

"When parliament sits, Catherine brings the kids in and we have dinner. We did it a bit during government and have been quite good about it since the change.

"More generally, I try to leave reasonably early in the morning and get home for dinner time and bed time for the kids even if it's only for a short time before I have to go out again. Otherwise it can be days and days and days where I don't see them."

Having been a senior Minister in the former Brumby Government, Daniel understands the demands of the role and the fact spare time is limited.

For the self-confessed golf tragic, it means getting out on a golf course happens far less frequently than he'd like and he has to grab time with the kids when he can.

"It may be as simple as dropping them at their school or kinder friends' places or taking them to various sports. Grace does ballet and Noah does archery, of all things. He loves it and it's good fun.

"These are busy jobs. No-one's complaining because they are very serious roles. We've got the ability to help people, to be part of our process of government and shape outcomes that will affect all Victorians."

Daniel is clearly passionate about the role Labor plays in Victoria, both in Parliament and communities across the state. In part, he believes that passion, along with a frank manner, came from his parents.

"Our household was always a pretty political household. There was always lots of dinner time conversation about issues many in politics today point to.

"Public affairs. Issues of policy. Issues of change and reform. All those things were discussed around our kitchen table."

Describing his parents as people who 'worked hard and had a bit of

luck along the way', Daniel is quick to add that they have also made their own luck by making the most of all the opportunities they've had.

Daniel's father, Bob, drove trucks and worked in shops, milk bars and mixed businesses for a long time before taking a job at a Don Smallgoods franchise servicing North Eastern Victoria. After successfully running and eventually taking over the franchise, he started his own food processing business.

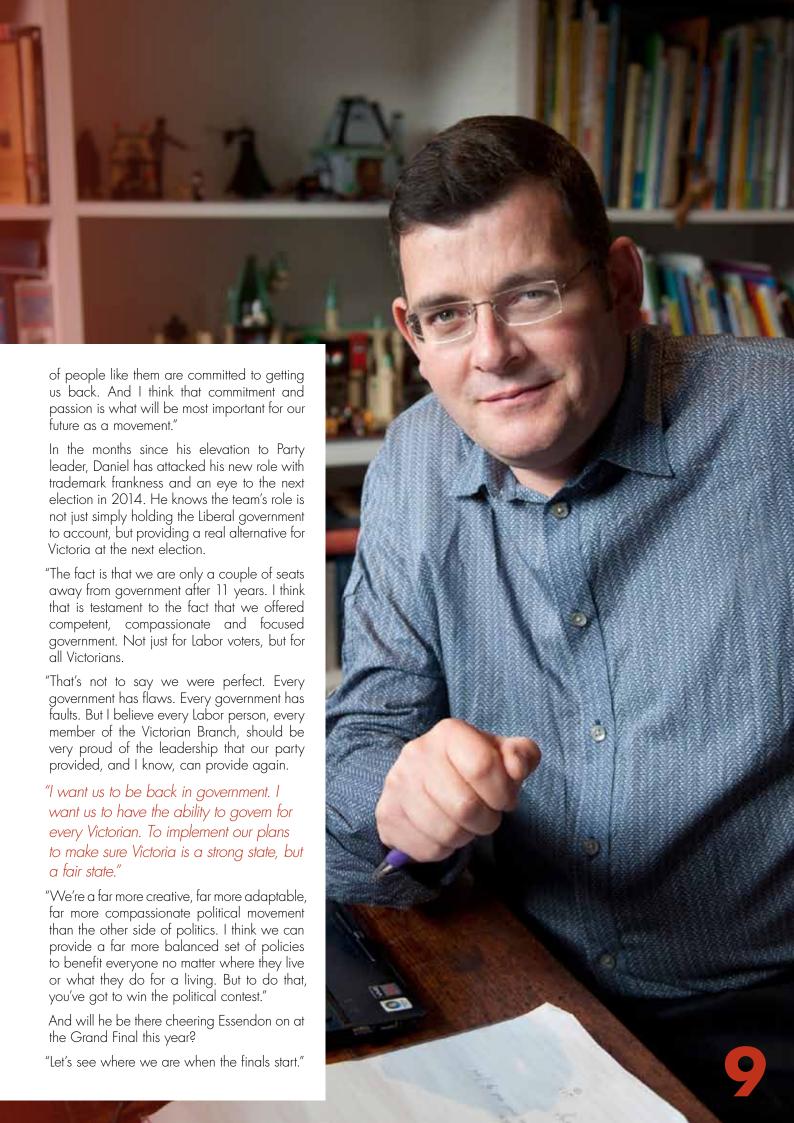
"I grew up seeing my father and my mother working very, very hard often back breaking and physical labour and long hours. He's got the arthritic knees and bad back to prove that hard work."

"It teaches you a lot. It teaches you important lessons about you get out what you put in. If you work hard, you can achieve great things. There's not many people in your life who can teach you that. I was lucky enough to have two parents who did."

After studying politics at school, joining the Labor Party while at university seemed a natural step for Daniel. Initially joining Central Branch, Daniel has been a member of Clayton and Dandenong branches, as well as his current branch at Mulgrave.

"The Branches are important to all of us as a movement. Without our branch structure, we're a party of old views and I believe we'd be in real trouble.

"My parents are good Labor people, good working people who were desperately disappointed to see us lose at the last election. They and lots



### **SOCIAL MEDIA AND POLITICS:**

# HE STRENGGH OF WEAK TIES

WHETHER IT'S EGYPT OR AUSTRALIA, **WEAK TIES' ARE THE** KEY TO SOCIAL MEDIA. ALEX WHITE EXPLAINS.

The Middle Eastern unrest that deposed the dictators Hosni Mubarak in Egypt and Ben Ali in Tunisia has caused many political commentators to re-think the role of social media. Previously derided as a play-thing of little more use than for Kevin Rudd or Malcolm Turnbull to talk about their pets, social media is now more seriously considered as a genuine tool for change.

Australia is a long way from Independence Square in Cairo; we have a strong civil society and are industrialised. Our unemployment rates – unlike Egypt – are very low. What can we learn about how Egyptians used social media?

The key to understanding how social media works to help people create political change is the phrase "the strength of weak ties", coined by professor Mark Granovetter at John Hopkins University. Social networking is an excellent medium to create scores, or hundreds, of weak ties. The friend of a friend, a distant relative, and acquaintance, so on. People with whom you do not have a deep personal relationship are still able to communicate with you freely, share their ideas and their views.

In Egypt, these weak ties meant that disaffected Egyptians were able to share their anger and desire for action with an audience far larger than just the people they knew personally. Their tweeting

and Facebook updates were able to reach a large audience of likeminded, angry, disaffected, and educated Egyptians. With no single guiding force or organisation behind the uprising against Mubarak, the strength of weak ties meant that the independent fire-starters - Gladwell's trend setters, mavens, connectors and persuaders - had their message shared widely. The "crowd" effect of social media aided this. As more and more people shared or re-tweeted the calls to action, it galvanised people who otherwise would never have heard of the uprising.

The same thing happened in 2007-08 for Obama, and in 2010 for the Tea Party movement. People who had never thought about politics before were approached, not by their friends, but the friends of friends, acquaintances, and workmates. People who they didn't have a strong connection to, but knew well enough to ask them to vote for their candidate.

I recently interviewed ANU academic Dr Will Grant, whose research into politicians' use of Twitter is very enlightening. Here to, the strength of weak ties was apparent. The most influential politicians were those who engaged in conversations. For readers with only a passing familiarity with Twitter, the crucial thing to understand is that Twitter allows people to spread information very quickly to people who are likely to want to hear what you've got to



## WHO ARE LABOR'S TRUE BELIEVERS IN 2011?

MEMBER FOR PRESTON, ROBIN SCOTT, LOOKS AT THE QUESTION - AND THE ANSWERS MAY SURPRISE YOU.

Electoral politics is not simply about elections through slick winning election campaigns and smart attack ads. It has a higher purpose. Labor is in a constant struggle for a more generous society that provides a more prosperous, fairer society for current and future generations.

We are a value system as much as a political party.

The critical task which confronts Labor is how to construct a majority electoral coalition for the values it represents.

In confronting this task it is important to understand who votes for Labor Party.

One of the most dangerous conditions which can grip a political party is having a false understanding of who supports it and who else needs to support it to win elections.

The results of research by former Labor Senator, John Black, into the recent Victorian State and Federal Elections throw much need light on Labor's support base in the community.

A traditional view of Labor support base is that it is split into two constituencies, a socially conservative working class block of materialists and an inner city professional/ student block of post materialists.

But these support bases are under attack and Labor faces an electoral struggle on two fronts.

On our right the Liberals and Nationals seek to use economic management and wedge social issues like refugees to pull in socially conservative and materialist voters.

On our left the Greens seek to exploit the compromises necessary for Labor to construct majority support on social and environmental issues to become the political voice of post materialist values voters.

However in approaching complex problem it is also useful to ask who are the groups in society who are strongly correlated with voting Labor? In other words who are the real true believers in 2011?

Here work such as John Black's play a very useful role. It allows us to move beyond the horse race framework of "who is winning" which dominates much of what passes for political analysis in our community. Instead it looks at who is correlated with vote Labor.

The answers to this question would be surprising for some. It is not the white working class of the craft unionist which founded the Labor party of the 1890s which is most likely to vote Labor.

Instead the two groups in society which are very likely to vote Labor today's true believers are:

- (1) Those of working age who do not work but are on welfare. Persons on the New Start Allowance, the Disability Support Pension and Single Parenting Payment are very strongly correlated with voting Labor. Working in itself is not strongly correlated with voting Labor.
- (2) Migrants, especially migrants from southern Europe. In fact being born in Australia is correlated with supporting the coalition more than Labor.

These are confronting facts for a party of "Labor" which is seeking to define itself as a "party of work," not welfare".

These uncomfortable truths need to be confronted if we are to build a majority coalition for progressive politics in Victoria and Australia. In my view we need to undertake two equally difficult tasks.

Firstly, we must retain the support of those who vote Labor now. Welfare recipients and migrants both provide a vital core of support for the modern Labor Party.

That is not to say that Labor should not be reducing welfare dependence. The vital role of work in freeing people from poverty should indeed be an ideological bedrock of our party. But we have to resist the Coalitions tendency to demonise the poorest in the community. Demonisation is not a great way to retain the support of the disadvantaged.

Labor also needs to be more reflective of the communities who support us. For example the expanding Indian community does not even have a single representative in our Parliament.

It should be noted that the relationship between place of birth and voting patterns is ascribed by John Black other demographic factors rather than the place of birth itself. However the impact of the dumping of Mandarin speaking Kevin Rudd on voters of Chinese background at the recent federal election suggests a link between cultural affinity of candidates and voter behaviour.

As a matter of principle Labor has supported the concept that candidates should be reflective of the community, hence our commitment to affirmative action on gender.

If Labor does not take the opportunity and have candidates that reflective of our multicultural community, then we risk that the conservatives will. If the Liberals field more candidates from non-English speaking background the support of another group of





voters will be at much greater risk.

Secondly, we must reach out to demographics which do not as strongly support Labor.

The most obvious groups are those who work. The success of the your rights at work campaign in ending the Howard Government suggest that the link between the Labor Party and the trade union movement is far from dead. History and logic suggest that more workers and their families can be attracted to a party committed to a fair days pay for a fair days work.

The strong shifts in the voting patterns of religious believers suggest that the followers of organized religions can also be won over for a more progressive Australia.

What tools can we use to help use chart a course through these difficult waters?

I believe that we need honesty and a willingness to have a constructive debate about our future.

Learning from history, the exchange of ideas in a better functioning party and even the much maligned qualitative research will be a use tool is the struggle to build a progressive majority.

But research must be a servant to the higher goal. Focus groups need to be harnessed as a tool in understanding how to build majority coalitions for a fairer Australia, not to fetter us to reactionary politics. Lindsay Tanner correctly identified the trap of "turning the telescope around the wrong way". This is a trap which will only play into the hands of both our Liberal and Green opponents.

I firmly believe the future of Labor can be bright but to win tomorrow we will need a realistic understanding of today.



With the Carbon Tax debate turning focus on alternatives to coal-fired electricity, we ask the question 'is it time to look at nuclear power as an alternative?'

Here's what a few Labor members had to say.

"No! No! No! Just look at Japan to see what can happen if something goes wrong." **Ann - Wills** 

"There is no point switching from one source of environmentally damaging energy production to another. Until the technology is advanced enough to deal with nuclear by-products that have a half life of millions of years, it is untenable to use nuclear power. Australia has a huge advantage over many other countries in terms of access to renewable resources, like wind and sun. We should be investing in these technologies" **Beth - Hotham** 

"I'm not an advocate for nuclear energy. Nuclear power in Victoria should be a last resort behind renewable energy. However, in order to reduce our reliance upon coal based energy a small sized nuclear fusion power plant could be located on Lady Julia Percy Island 20 kilometres off Victoria's coast. There are a multitude of issues which would have to be overcome before the plant would be viable.

There are however, positives to the idea. The island could be easily contained in the event of an incident; and the infrastructure built to power the Portland Aluminium Smelter could be utilised to transmit electricity to Melbourne as opposed to transmitting energy from Hazelwood to Portland." **Tim – Ballarat** 

'We have this next ten years to react. That's it.

Garnaut reckons that by 2050, we'll still be brown and black coaling but using Carbon Capture and Storage methods for carbon emission mitigation. The largest CCS program so far, has operated at Port Campbell in Victoria and they have successfully injected 65,000 tonnes of CO2. This however is \*\*\*\* all!

If this is the best we can do in this decade of action it is time to go to off the shelf technologies to act as a stop gap measure whilst we bring CCS and completely renewable technologies up to speed." Micky - Corangamite

US CORRESPONDENT KEN CLARK TAKES A LOOK AT JUST HOW THE DOLLARS ARE SHAPING UP FOR THE NEXT US ELECTION AND WHAT IT MEANS.

# MONEY AND BOUNDARIES IN AMERICA 2012

#### **PART 1: MONEY**

It is not lost on political professionals that money defines electoral success.

That will certainly be the case in the 2012 presidential election. President Obama is expected to raise around \$1 billion USD (again). That money will come increasingly from donors giving via the Internet and smart phones.

During the 2008 presidential primary, all candidates combined raise \$266 million USD --or about 23% of all contributions-- from people who gave under \$200 a piece. President Obama raised 34% of his general election funds (\$114 million USD) from contributions of \$200 or less.

There is little data to demonstrate exactly how many of those contributions came via web sites versus traditional means. However, the experience among campaign staffers across America is that lower dollar donations in 2008 came via the Internet at twice the rate seen in the 2004 election, and growing.

That may seem like a good thing for President Obama who, despite

a challenging first term, has the gravitas and campaign machine to reach millions of eager donors.

On the other side of the spectrum, the Republicans are expected to benefit from the 2010 Citizens United vs. Federal Elections Commission US Supreme Court ruling, allowing corporations to spend unlimited amounts of cash on political causes.

That ruling does not mean that corporations can give to candidates directly. However, they can spend for and against candidates so long as they don't coordinate with those candidates or parties. These are known as "independent expenditures"

This also applies to Unions. However, it is not clear whether unions will be able to match the volume of spending expected out of US corporations.

Any Republican gains from Citizens United may be tempered by two things.

First, with so many potential presidential candidates, the

Republican Party base will be raising money to be spent in early 2012 with little regard to a single, targeted message. Obama, on the other hand, will be able to choose a message and stay on it from now until November 2012 –something he has proven to be exceptional at.

Second, the Tea Party movement, while seemingly unified behind economic themes has an internal struggle between those who are involved only for economic reasons and those who are pushing social legislation around, for instance, abortion.

Expect money on the Right to be disjointed and unfocused until the late spring of 2012.

The only focused money we are seeing now is that directed in many states to breaking the rights of unions to collectively bargain. This will definitely play a role in galvanizing the Republican base over the next 20 months.

However, don't expect an end to unions in America. The anti-union activity in Wisconsin this year,



while successful in the short term, has created a rallying cry for union supporters all over the country.

The back and forth on unions illustrates something that centrists have said for many years: unions and corporations are here to stay. Our time is better spent finding a reasonable and prudent balance between their two agendas rather than trying to emasculate one or the other.

All of this talk of money really only tells half the story, however. Both parties have a lot to lose and gain from upcoming congressional and legislative redistricting.

This one-a-decade process of matching the new US population to new electorate boundaries is the political equivalent of a computer virus. The public does not tend to pay attention to any of the redistricting process until the effects are set in stone and irrevocable.

If you want to predict where the political center will be after 2012, watch the boundaries. Watch this space in the next issue of this

publication for Part 2 of Money and Boundaries in America. In that article, you will peak in to the who, when, where, what and maybe even the why of congressional and legislative redistricting.

For the time being, check see the trailer for the documentary Gerrymandering at:

www.gerrymanderingmovie.com

It is a handy and entertaining primer on the topic.

#### INTRODUCING KEN CLARK

Ken Clark is a political consultant with extensive experience in American and European politics.

He has spent a decade working in non-profit and political organizations in America and Europe. In addition to serving a term in Arizona's Houses of Representatives, Ken was the Campaign Coordinator for the Arizona Democratic Party's state legislative campaign committee during the 2000 elections.

Ken has also worked as Director of the Energy Office for the State of Arizona and ran the successful 'Arizona Together' campaign in 2006.

Ken has also previously owned a graphic design business, which managed client accounts in America with designers based in Australia.

# WHAT IS THE TYPICAL AUSTRALIAN'S INCOME?

There are a couple of pieces in the News Ltd papers which advance the view that the Government is practising unconscionable 'class warfare' by reducing the benefits paid to families with incomes above \$150,000 a year. In The Australian's piece, a couple on \$200,000 a year (who admit they pay only 18% tax) complain that they may be forced to get a nanny if their childcare subsidy is reduced.

Now, The Australian itself has called for reductions in 'middle class welfare', so either the editors have changed their mind, or they have a misguided sense of what constitutes a middle income in modern Australia.

I don't doubt that the family featured in The Australian's story genuinely thinks they're more or less typical, but they're wrong. We all tend to judge what's normal, or typical, with reference to those we work and socialise with. This leads the poor to underestimate the wealth of the rich, and leads the rich to overestimate the wealth of the poor. It also means that a lot of us tend to think we're 'middle class' when we're not.

Andrew Leigh (before he was an MP) wrote a great little paper on the effect that this misperception has on our public debate, called The Political Economy of Tax Reform in Australia. In it, he argued that

opinion leaders [do] not properly appreciate the distribution of income in Australia. For the most part, the taxation rates applying to most politicians, journalists, business executives and thinktank staffers (and indeed, to academic economists) are not those that apply to the average voter. In all these professions, six-figure salaries are common. Yet only 4.5 per cent of Australian adults have an income that exceeds \$100,000 per year, and only 1.5 per cent have an income that exceeds \$150,000 per year.

(The paper is from 2006, so the figures are a little out of date, but the principle hasn't changed).

Leigh also, correctly, notes that "reporting of 'average' income in Australia focuses on a measure of earnings which is not that of the typical voter." Journalists often use average weekly ordinary time earnings for full time adults (AWOTE) as a measure of a typical income. This is misleading for several reasons.

First, not everyone works. AWOTE measures only those who have earned income. Second, people have sources of income other than employment (transfers from the Government, dividends, rent, capital gains). Third, AWOTE excludes part time workers, and therefore excludes a lot of low-income earners.

Fourth, AWOTE represents mean earnings, not median earnings. This is a very important point. The mean income of drinkers in a pub goes through the roof if Bill Gates walks through the door, but the typical drinker has become no better off. For this reason, the median is a much better measure of a typical person's income, as it is not distorted upwards (or downwards) by large changes in the tails of the distribution. This is a point that we all should recall from Year 8 maths, but for some it is apparently a difficult point to grasp.

So, what does the typical Australian worker earn?

If we're only interested in wages, and only interested in people who work, then that's a fairly easy question to answer. AVVOTE is \$66,445 per year. However, we know that's a problematic measure of the earnings of the typical person. Instead, we can look at the median earnings of all full time workers, which is \$54,750 per year.

See how much the figure drops just

by looking at the median instead of the mean? In case the whole mean vs median thing hasn't sunk in, this figure means that half (50%!) of all full time workers in Australia earn less than \$54 750 per year, or at least they did in August 2010 when this survey was taken.

What if we broaden our scope a little, to look at all employees? After all, politicians aren't only concerned about full time workers. Well, the median earnings of all employees is \$44,146 per year. Half of all workers earn less than \$44,146 per year.

However, we don't all work. In fact, a lot of us don't.

So, what is the typical Australian's income?

To answer this question, I like to use the tax statistics from the ATO. These tell us that taxpayers at the 50th percentile in 2008-09 earned somewhere between \$43,898 and \$44,546 in the year. Let's take the mid point of this and call it the median, \$44,222 a year.

Half of all Australian taxpayers had taxable incomes below \$44,222 in 2008-09.

It's starting to seem as if \$200,000 is quite a lot of money, isn't it? In fact, 98% of taxpayers have incomes below \$180,000. Mr Gray, the man in the Daily Telegraph's story, earns \$150,000, which would put him in the top 3% of taxpayers by income (or at least it would've in 08-09). Quite how this makes Mr Gray a "middle income earner" escapes me.

One objection at this point would be that I've been talking about individuals' earnings or incomes, rather than households. After all, families tend to pool their resources and spread their costs.



So, what is the typical Australian family's

The latest ABS figures on the distribution of household incomes are for 2007-08. They show that the median gross household income was \$67,003 a year, less than half what the \$150k-\$200k "battlers" of News Ltd's imagination scrape by on.

Note that the mean gross household income was \$85,983, which shows you again that using the 'average' can give you a very distorted idea of what is typical or 'middle'.

However, there's a problem with using these figures. The problem is that these 'gross' household income figures don't take into account the fact that we all live in households of very different sizes. A household with two adults and no kids will face lower costs and have a higher standard of living than a household with two adults and two kids, even if their incomes are the same.

We need a way to compare the living standards of people across different household types, to get a measure of how much income a person would need to maintain the living standard of the typical (median) Australian. This is known as equivalised household disposable income.

So, what is the median equivalised disposable income of Australian households?

The median equivalised disposable household income for Australia in 2007-08 was \$36,082 according to the ABS, and \$35,664 according the Melbourne Institute's HILDA survey.

This means a single person, living alone, would need around \$36,000 in disposable income to sustain the typical Australian's standard of living. Following a widely-accepted methodology, each additional adult adds \$18,000 to this figure, so a childless couple would need a disposable income of \$54,000 a year to enjoy a median standard of living. Each child adds \$10,800 to this

A couple family with two children would therefore have needed \$75,600 disposable income in 2007-08 to have the same standard of living as the typical Australian. The family in The Australian's story has a gross income well over double this amount, and disposable income that is still more than double the median. They are far from typical. •

This article originally appeared online at the We Are All Dead blog (mattcowgill.wordpress.com)









# SHOWBIZ FOR UGLY PEOPLE

#### TEN POLITICAL MOVIES YOU SHOULD SEE (IF YOU HAVEN'T ALREADY)

There are a lot of great political movies out there. From classics like 'Don's Party' to last year's 'The King's Speech', there are literally hundreds of political movies out there. Here's ten that we think are worth a look.

#### **BOB ROBERTS (1992)**

Written, starring and directed by Tim Robbins, Bob Roberts follows a rich guitar-playing businessman in his quest to become President of the United States.

Shot as a mockumentary similar to 'This is Spinal Tap', the film shows the candidate's campaign from its opening day right through to the aftermath of the election, with all the comedy, tears and tension you'd expect..

With a great cast including Susan Sarandon, James Spader and John Cusack, the film captures the essence of the campaign and an engaging candidate who you'd have to think twice about voting for.

#### **PRIMARY COLOURS (1998)**

John Travolta stars in a Bill Clintonesque role as the aspiring, slightly shifty Democratic presidential candidate, southern governor Jack Stanton.

The film is based on the controversial best-selling novel by Anonymous (Joe Klein) and lives up to its hype.

Together with Billy Bob Thornton, Kathy Bates and Emma Thompson, Travolta takes us on a journey through a flaweds Primary Colours gives the viewer an engaging and funny window into American political machinery.

#### **ELECTION (1999)**

Reese Witherspoon gives a great performance as an obnoxious overachiever running for student president who is opposed by a vindictive teacher and a likeable but dim-witted jock.

Ferris Bueller's Matthew Broderick is also excellent as the teacher who cares about the school's democratic process enough to do almost anything to stop Witherspoon's character.

Election campaign smear tactics and dirty tricks are masterfully lampooned amid the turgid corruption, sexual hijinks and emotion of high school politics.

A smart, funny and engaging romp through election campaigning and personal agendas, you'll hang in there just to see who wins.

#### **WAG THE DOG (1997)**

Robert De-Niro and Dustin Hoffman fabricate a war to cover up for a president caught in a sex scandal during his re-election campaign.

This black comedy is a parody that holds up well over a decade later, with its phony war as a diversionary tactic sounding eerily familiar.

Dustin Hoffman is brilliant as the Hollywood producer brought in by a spin-doctor (De Niro) to create the most important production of his life. Complete with an earnest Ann Heche as a presidential aide, Wag the Dog is a compelling argument for why 'you shouldn't change horses mid-stream'.

#### **IN THE LOOP (2009)**

Like the TV series it has sprung from, 'In the Loop' takes an uncomfortably realistic (if over the top) look at the political machine and its apparatchiks. This outing takes a cynical look at the US and UK's lead up to a war in the Middle East.

Favourite moments include Malcolm Tucker turning on an American tourist who criticises his foul mouth and bumbling MP Simon Foster's ongoing issues with a constituent.

The US cast also impresses, particularly the general calculating troop casualties on a toy calculator because "At the end of a war you kind of need to have some troops left, or else it looks like you've lost."

Slick, engaging and funny as hell, this film is loaded with insights into modern politics' obsession with spin.

#### THE CANDIDATE (1972)

Robert Redford stars as a likeable candidate for the US Senate in another movie about the cut and thrust of US election campaigning. Once described as 'coldly comic, as if it had been put together by people who had given up hope', the Candidate is as relevant today as it was in 1972.

Watching Redford's gradual evolution into a smooth-talking, blow dried candidate is enjoyable but also it also emphasises the depressing realisation that the political obsession with spin over substance isn't new.

This is a classic Redford performance that accentuates the darkly satiric look at the political process. Redford was so convincing during filming, local politicians wanted to draft him for a real election.

#### **DR. STRANGELOVE (1964)**

An all time classic, Dr Strangelove is the darkly comedic tale of paranoid Brigadier General Jack Ripper and the people who would prevent him from instigating nuclear holocaust.

The film features Peter Sellers playing no less than three roles, including the US President and nuclear scientist Dr Strangelove.

Made at the height of the Cold War and fresh from the Cuban Missile Crisis, this is a remarkably funny yet suspenseful film that will keep you hooked right to the end.

#### **THANK YOU FOR SMOKING (2005)**

This smart satire follows Big Tobacco's chief spindoctor as he battles to deliver the pro-smoking lobby's message to the world ... while remaining a role model for his twelve year old son.

Aaron Eckhart is great as spindoctor Nick Naylor. Whether he's speaking at his son's class for careers day or fronting a talk show with a cancer patient, his charm and disarming wit are almost hypnotic. His unabashed delivery of ludicrous arguments are funny beyond belief.

This movie is not only a must-see, it's a must-watchagain. There's always something more you can get out of it.

#### **DON'S PARTY (1976)**

Although politics ends up taking a bit of a back seat, this cult Australian movie is set around a group of friends gathering to watch election results in 1969.

Adapted from the play by David Williamson, this movie creates a snapshot of Australian suburbia that deteriorates nearly as quickly as the party's booze supplies.

Once you get past the clothing and the hairstyles, Don's Party is a witty, realistic and unashamedly over the top movie that thoroughly absorbs and amuses its audience.

#### THE KING'S SPEECH (2010)

Colin Firth and Geoffrey Rush deliver captivating performances as King George VI and the speech therapist that transformed him into a smooth talking representative for the throne.

This engaging and feel good movie dives into the changing role of the royal family in the 1930s, relying on superb dialogue and performances rather than lavish cinema photography.

A surprise Oscar nominee, this relatively low budget yet highly charged drama feels at times like an adapted stage play. One that's worth watching more than once.





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