

JULIA GILLARD MP
Deputy Labor Leader
Shadow Minister for Employment & Industrial Relations
Shadow Minister for Social Inclusion

SPEECH TO THE INAUGURAL FABIAN SOCIETY ANNUAL DINNER

31 August 2007
MELBOURNE

Check against delivery

Introductory remarks

Thank you.

It's a great honour to be asked to deliver the address at this inaugural Australian Fabian Society annual dinner.

No address to the Fabian Society would of course be complete without acknowledging the lifetime commitment to the Fabian cause of Race Matthews – someone who played such a big role in helping elect the Society's National Patron, Gough Whitlam.

It must be a source of great satisfaction to Race and Gough that the Society, now in its seventh decade, is as strong as it's been in its history.

Let me also mention the Society's national president and our candidate for Higgins – Barbara Norman. Barbara, you have the biggest, toughest and most important job in Australia – wiping the smirk off Peter Costello's face on election night.

And let me mention the Society's national secretary and someone I first met in student politics all those years ago – Evan Thornley – who has played along with so many others such a huge part in the Society's revival.

Today the Fabian Society boasts contributions from some of the Labor movement's leading figures – people of the stature of John Faulkner – and we're going to need it to be a forum for new ideas regardless of the outcome of this year's election.

Friends, it's been a long, hard time in the electoral wilderness for the Australian Labor Party at the federal level.

For eleven long years we've seen the Howard Government take the easy option of coasting on the mining boom and benefiting from the hard reforms of the Labor Governments of the 1980s and '90s.

Much can happen between now and the election later this year. And it will, for many reasons.

Just one reason is because we are confronting the most successful and cunning conservative politician of his generation – John Howard.

And let's not be under any false impressions that John Howard and the Liberal Party have hung up the tools. They will continue to roll out myth after falsehood, and fib after bluster every day between now and the election.

Their election machine and most significantly their election funds will bombard our airwaves and our newsprint and cyberspace with an unprecedented onslaught of negative advertising and campaigning.

No untruth will be too big for them to tell. No piece of mud too muddy to fling. No gutter too low for them to climb down into.

They're the masters at American-style personal campaigning – and we have to be the masters of rising above it and winning by showing the electorate a fresh face and fresh ideas.

But one thing we know for sure right now.

While victory is still very much against the odds victory – it is, finally, possible.

Labor can win – but only if we set our minds to it and keep working with a single-minded purpose towards that goal.

We have to keep fighting like there's no tomorrow. The way Kevin does every waking hour of every day.

If between now and election day your phone rings at some ungodly hour like 5 am to get you out of bed – don't panic, it's probably just Kevin.

And if we do win, it's going to be a victory that will better the country.

A win will change the nation

You know, I've heard some commentators argue recently that there's so little difference between the parties these days that there's not much point to the election.

They're wrong. Dead wrong.

It's true the world has changed dramatically in the last eleven years – and so, inevitably, has the ALP.

But on the great issues of the day there is still a world of difference between the parties.

Think of the three big symbolic issues for progressives today.

The first is Iraq. John Howard sent our troops there, intends to keep them there, and won't apologise for making Australia a bigger terrorist target as a result.

Labor opposed the commitment of Australian troops from the beginning.

We regard it as one of the biggest blunders in Australian foreign policy since the Vietnam War.

And we will bring the troops home.

The second issue is climate change. John Howard doesn't really believe that global warming is caused by human activity; he won't support efforts to create new industries like renewables; and he won't set a target for reducing carbon emissions.

Kevin Rudd and Labor's frontbench have been asking "How can a Government of climate change sceptics be part of Australia's climate change solution?"

A good question.

Labor accepts that climate change is man made; we have set out a target to reduce carbon emissions by 60 per cent by 2050; and we will introduce a carbon trading scheme to create a new sustainable future for Australia's energy generation and manufacturing industries.

Labor will ratify the Kyoto Protocol – John Howard will not.

And John Howard will set in train policy that will lead to the construction of 25 nuclear reactors across Australia – Labor says no nuclear reactors; there are other alternatives.

And the third issue is Work Choices. The Government is determined to use AWAs to reduce conditions, especially for the low-paid, erode job security and destroy people's hopes for work-family balance.

Labor will get rid of Work Choices, give people the democratic right to bargain collectively in the workplace and prevent the creation of a low-skill Australian workforce – all while encouraging greater economic reform through enterprise bargaining and flexibility in our industrial relations system.

I could go on – listing the major differences across numerous policy areas about which we progressives care passionately: education, multiculturalism, childcare, housing, health care, the cost of living and overseas aid.

But I want progressive Australians to remember that when it comes to these three biggest issues of the day – bringing our troops home from Iraq, saving the planet from climate change and protecting pay, conditions and rights at work – there has never been a stronger set of reasons to get behind Labor and throw this government out.

The public mood is changing...

Over the past year I've detected an enormous change in community sentiment towards the Government and towards us.

Firstly, there's a mood for a change.

I believe there is a mood in the community that the Government has run its course – and is no longer capable of producing satisfactory answers to the big questions we face.

It has grown tired, arrogant, it has lost touch and has spent too much time chasing ideological rabbits down cul de sacs.

On the big issues I've just mentioned – Iraq, climate change and industrial relations – people can feel instinctively that the Howard Government doesn't get it.

And like always, the people are right in their assessment.

Secondly, there's the fact that the Government is fatally divided.

Just look at them:

- The PM can't stand the Treasurer.
- The Treasurer can't stand the PM.
- Neither can stand the Environment Minister.
- The PM's former adviser can't stand the Environment Minister either and is trying to unseat him.
- And of course, no one... but no one... including I suspect everyone in this room...can stand Alexander Downer!

Just earlier this month, we had the ridiculous situation where the Prime Minister was spouting that he and Costello had a “wonderful, professional and harmonious” relationship.

This is the same Treasurer who had never been invited to dinner?

Who said he would drag the Prime Minister down by going to the backbench? And then became embroiled in a public spat of whether he condemned the Prime Minister on or off the record – not whether he said it or not.

And yes, the same Treasurer who said John Howard was “not a success” as Treasurer.

People know that a party that can't govern itself can't govern the country. And by any measure, the Coalition can do neither.

Thirdly, there's the feeling that the Howard Government has betrayed the Australian people once too often.

They have played a political “pig in a poke” too often.

They led us to believe at the last election that interest rates would not go up and would stay at record lows.

And since then, despite their claims that Work Choices and other policies would keep interest rates down, rates have gone up... five times... and many low and middle income families are now in severe housing stress.

Perhaps they lied. Perhaps they failed to deliver. Perhaps they were just a bit too loose with the truth.

But the fact is it’s a betrayal. They chose to do the wrong thing too many times.

Just as they did when they told us that children had been thrown overboard.

Or that they had no plans to radically reform our nation’s industrial relations laws.

Australians can now see the trickery behind the Prime Minister’s clever politics. And it’s truth not trickery they want.

Here's something we’d all like to see – truth and honesty from the people who govern us – and that’s what a Kevin Rudd Government will deliver.

But there’s a fourth and equally important reason why I think the times have changed to suit us.

We have changed.

Labor is now creating a new agenda – based on investing in people.

After eleven years, our movement has accepted the really big challenges that parties in long-term opposition have to face up to.

We’re united.

We have a new leader – who represents for many a new generation.

A generation of ambition and aspiration, of initiative and mobility, and of hard work and hope.

These last words I take from my good friend Steve Bracks, who spoke of these qualities in his campaign launch in Ballarat in 1999.

They describe the journey of Steve’s parents and of Steve’s achievements as Premier.

I also believe they represent what Kevin would bring to the office of Prime Minister.

Labor has also recognized the need to develop a new policy agenda that addresses the new concerns of the Australian people.

Over the past few years there's been a rebirth of interest in ideas – reflected in the spurt in membership of the Fabian Society in Labor ranks.

It has taken a lot of hard work by many to promote debate.

I think as a movement we've realized the need to invest in creating new ideas and seeking out a new generation of people to fight for them.

It's long-term work that perhaps we put off for too long.

And I'm incredibly heartened by the new Fabian initiative to finally establish a new progressive, professional think tank – **Per Capita** – to take on the right-wing organizations like the IPA, the CIS and the Menzies Research Centre in the battle for ideas.

We must have the capacity to mould the wider political and intellectual agenda if we want to achieve government, hold on to it, and use it to change the country for the better.

And I'm confident that Per Capita – like all organizations with fresh, new and independent ideas – will get a good hearing from Labor whether in opposition or in government.

Part of the Per Capita's focus is promoting the need to invest in people and communities to reap the rewards of a fairer and more productive society.

This human capital agenda will be a big part of the economic and social policies of the next Labor Government too.

It's the basis of our Education Revolution and our plans to get national cooperation to modernize our health system.

There's no doubt about it: Australia is now undergoing an amazing period of prosperity.

But as people like Tony Nicholson, the head of the Brotherhood of St Laurence, reminds us, we won't be able to maximise this prosperity if we leave between ten and fifteen percent of our people outside the mainstream economy through avoidable poverty, bad health or lack of skills.

For a nation as wealthy as ours there are still too many pockets of disadvantage.

And the Howard Government doesn't want to know.

Recently, Australia's leading welfare research organizations have done a lot of work to identify where these pockets of human capital under-investment and failure are.

- The Brotherhood of St Laurence has for instance identified 21 federal electorates with simultaneous high incidences of single parent families, low family incomes and high unemployment rates. And it has found that these are the electorates with the highest birth rates.

More than 37,000 babies at risk of serious disadvantage were born into just those 21 electorates last year alone. Which means much of the next generation is being born into the communities least able to help them escape a life of disadvantage if we don't act.

- Catholic Social Services has found in its most recent report on the distribution of disadvantage in Australia that just 1.7 per cent of postcodes and communities across Australia account for more than seven times their share of the major factors that cause intergenerational poverty, including: low income, limited computer and internet access, early school leaving, physical and mental disabilities, long-term unemployment, prison admissions and confirmed child maltreatment.

That report estimated that one-third of all communities here in Victoria suffer from 'low social cohesion' – where inadequate levels of community reciprocity, trust and resources make it more difficult for individuals and families to overcome the individual and family problems that lead to poverty.

- My colleague, the Shadow Treasurer Wayne Swan, has also detailed this disturbing social phenomenon at length in his book *Postcode: the splintering of a nation*, which I urge you to read.
- A Report released by ACOSS this week reminded us that we have a sizeable proportion of our community living in poverty. Using the OECD poverty line standard of 50 per cent of median income, 2004 data tells us 9.9 per cent of the Australian population lived below the poverty line. If the European Union standard of 60 per cent of median income is used, then that figure doubles to 19.8 per cent of our community.

In this time of great economic prosperity and record Government revenue and expenditure, it is exasperating that we have communities being left behind.

This grates because of my own values and beliefs. But it also grates because as a parliamentarian vitally interested in strengthening our economy, the loss of these communities is an economic loss.

In a time of labour shortages, we have members of our community who are not taking part in the labour market where they could. And we all know the impact of these shortages – they go on to ultimately put further pressure on Australian working families.

These are communities that do not see the boom, or enjoy the benefits. They are living in the shadow lands of our nation's economy, untouched by these prosperous times and still waiting for an economic sunrise.

Since early this year, I have been setting out Labor's social inclusion agenda. We have committed to addressing the needs of these communities of disadvantage by:

- improving social capital,
- increasing individual resilience,
- raising skill levels,
- getting more children completing twelve years of school and more school leavers going on to TAFE and university,
- and reducing the incidence of serious health problems like addictions, smoking-related diseases and mental illnesses.

And we must start it earlier in people's lives than we have until now.

We must address the whole person's needs from the earliest possible age.

New Social Inclusion measures

We've already made some significant policy announcements.

- Just a fortnight ago we committed \$32.5 million over five years to create parents as educators programs for up to 8,000 children in 50 of the most disadvantaged communities in the nation – to be run through the Brotherhood of St Laurence.

The two-year program for 3-5 year olds will fund home tutors, books and associated educational resources to help parents get their children ready for school.

- And just this week we re-committed to rewarding teachers who agree to serve in disadvantaged and remote communities where quality teaching can dramatically improve learning outcomes.

But addressing this problem to break the cycle of disadvantage is a whole-of-government effort.

And it's our intention to change the very way government policy is made and the way services are delivered to tackle the causes of disadvantage in its myriad forms.

Our starting point will be the establishment of a new **Social Inclusion Unit** within the Government to get ministers, their departments and service providers coordinating policy development in a more holistic way.

To ensure these policies are matched to local needs, we will also be creating a national **Social Inclusion Board** that will bring together community champions to give us advice on what their communities need most.

They're going to help us develop plans, set targets and ensure we meet them.

To ensure we're targeting our resources at the right places, we will be getting bodies like the Australian Bureau of Statistics to gather new information on local area disadvantage.

And we will be asking the Productivity Commission to properly measure the contribution of our great third sector organizations to our economy – as a starting point for widening their role in the social inclusion project.

Tonight, I want to set out how we will deliver on our social inclusion agenda.

Firstly, as we have already set out, our approach will focus on real people and real issues. Our Social Inclusion Board and the staff will be well grounded and well connected into the communities and service providers working in those communities.

It will not become a memorial to good intentions.

Secondly, we will pursue funding arrangements based on matched funding through a pools arrangement. We will fund projects where we have partners – state, territory and local government, the business and non-profit sector.

Social Inclusion is not just about tackling disadvantage, it is also about the manner in which you tackle it.

The greatest returns are delivered through empowering communities as a means of tackling disadvantage.

These pools of money will fund non-government organizations to address holistically the multiple causes of social and economic exclusion within targeted disadvantaged communities.

To get this Commonwealth investment working harder, we will be requiring the funds to be matched by all levels of government.

We particularly want to get the business community contributing.

However, the current mechanisms fall short. While the non-profit sector has proven solutions, they need transparent mechanisms to apply for funding to achieve articulated objectives without political interference. The Social Inclusion Board can potentially play a critical role in ensuring this.

We know that businesses are well aware of the pressing problems many communities face.

Many – like our mining companies in outback Australia and banks like the ANZ through micro credit schemes – are doing valuable work already addressing education and health problems in the communities in which they operate.

These companies can often offer not just financial help to run programs but expertise and even training and jobs for local unemployed people.

We must do everything we can to ensure this continues. A matched funding pool arrangement, managed at arms length will mean they can get on with investing in

communities and community based solutions without getting bogged down in the red tape of grant shopping across 3 levels of government.

Thirdly, we will direct our funding on those projects that provide the greatest economic return – based on the advice we receive from the Productivity Commission. We have to balance our responsibilities to our society with the prudential expenditure of taxpayers' money.

Finally, we need to build on the experience of others.

There is an ever growing pool of experience and expertise in bringing individuals, families and communities back into our society. Federal Government should not be trying to build programs from scratch – they should be understanding success and building on it.

A Rudd Labor Government will not be in the business of attempting to pick winners when addressing disadvantage. Contestability, experience and results will be the drivers.

Conclusion

Social inclusion is not just good social policy – it's good economic policy. Investing in the most disadvantaged, particularly children, is the best economic investment we can make.

It's good for the country.

And that's something that characterizes both Labor's values and our new policy agenda across the board.

Importantly, it's also about doing what's in the national interest.

Taking a long term perspective is critical if we are to enjoy this prosperity beyond the mining boom. And by "we", I mean all of us.

This is one of the reasons why people are now considering a change to Labor. When they look at the Howard Government, all they see is short-termism.

Nothing could have exposed this more than their recent decision to fix up just one hospital in Tasmania instead of reforming the health system for the entire nation.

In every area, policy seems to be a quick-fix to get the Coalition through to the next election. And it is resulting in bad policy.

Frankly, in the interests of transparency, I don't know why they don't just sack the cabinet and outsource all decision making directly to the Coalition's pollsters and consultants, Crosby/Textor.

People want a government that can think ahead, develop long-term objectives and work together with the states and with business to tackle long-term problems.

They want a fairer society, fairer workplaces and environmental sustainability.

And that's why many Australians are considering making the change to Labor.

We still have to fully convince them.

There's lots of hard work to do yet.

We are still the underdogs.

But we can do it.

As I said earlier, expect that 5 am call – because we all have a burning passion to move out of opposition and into government so we can start creating the better country Australians want.

Thank you.