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Joan Kirner Social Justice Oration 2020

Presentation by

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Video and audio versions of this speech are available
at www.communitiesincontrol.com.au

About the presentation:

Paul Bongiorno is a veteran political journalist and commentator. After leaving the priesthood in 1974, he began working in television, winning four Walkley Awards for his investigative journalism. He hosted Ten's national Sunday morning show, Meet the Press, from 1996 to 2012, and in more recent times has been a regular contributor to The Saturday Paper and commentator on ABC Radio National Breakfast. Bongiorno was made a Member of the Order of Australia (AM) for his service to the print and broadcast media as a journalist, political commentator and editor.

Paul Bongiorno:

I must say I am no fan of this brave new world of virtual conferences. It robs you of the ability to read the room and feel the vibe.

But at the outset the fact that you are all here with me, virtually, means we are at least at the same departure point – the one outlined by Joan Kirner herself in her 2012 oration:

“We are ready; we are passionate; we are brave enough to continue to work together to shape a socially just nation.”

I last saw Joan Kirner in person in 1991 when she attended a Premier’s Conference in Canberra. I was there covering it as a political correspondent for Network Ten.

The conference coincided with the launching of Paul Keating’s lunge at Bob Hawke for the leadership of the Labor Party and therefore the Prime Ministership of Australia.

Some may remember stage one of that coup was leaking to Laurie Oakes the night before the premiers’ conference the fact that Hawke had reneged on the so-called Kirribilli Agreement.

That’s where with union leader Bill Kelty as a witness, Hawke had promised to hand over the reins to Keating but had since thought better of it.

At the all-in news conference with the premiers and prime minister and treasurer, Kirner followed Keating into the room. She grabbed his arm and appeared to be giving him the rounds of the kitchen table.

We never found out what she was saying – it could have been she wanted more money for Victoria, but the speculation among the gathered hacks was that she wasn’t too happy about the destabilisation of the Hawke government.

Whatever it was it certainly didn’t fit in with the caricature the *Herald Sun’s* cartoonist Jeff Hook had made of her as a frumpy suburban housewife in a polka-dot dress – the idea being that she was not up to the job of rescuing the state and the Labor government from the ravages of ballooning debt, the State Bank fiasco and the collapse of the Pyramid Building Society that saw thousands of Victorians lose money.

There’s no doubt she was handed a poisoned challenge by her parliamentary colleagues, but she set about the task giving priority to her



agenda of social inclusion and proving as the state's first woman premier that gender is no barrier to leadership.

Years later she said the challenge was daunting, but she believed she'd turned the joke back on the *Herald Sun*, though she told one interviewer:

"People still expect me to turn up in a polka-dot dress." – something she didn't own and never wore.

In the 2012 oration Kirner said she got angry that in Australia "the country of the fair go, the richest 20 per cent have seven times the income of the lowest 20 percent."

She noted that during the Global Financial Crisis the net worth of the top end of town went up 15 per cent in four years. At the bottom end of the wealth scale, the net worth went up 1 per cent at the same time.

"Yet we know " she said, "that the happiest, most productive countries in the world are those where there is least gap between the highest and lowest income earners."

"This is not about earnings or class envy. It is about ensuring the quality of life of all our people, in Australia and the world," she said, "is underpinned and sustained by shared wealth."

If Kirner was angry in 2012 over this inequity she would be even more irate today.

Economist Yanis Varoufakis in *The Saturday Paper* noted that the Swiss multi-national investment bank UBS reported that, between April and July 2020, as the coronavirus pandemic first wave was surging, the collective stash of the world's billionaires grew by 28 per cent and many millionaires joined their ranks.

If the Global Financial Crisis exposed the profound failure of neo-liberal trickle-down economics to deliver a just and equitable social world order, then the pandemic is offering conclusive proof.

Former treasurer Wayne Swan in 2015 co-authored a report for the Centre for American Progress warning that the major challenge facing western liberal democracies is neither military nor philosophical but economic. More precisely it is inequality.

The American philosopher John Rawls, in his book *A Theory of Justice*, warns that this inequality breaks the social compact leading to a disintegration of community cohesion and well-being.



Nobel-prize-winning economist Joseph Stiglitz in his *The Price of Inequality* argues this rising inequality leads not just to rising crime, health problems, educational failure but to lower levels of growth.

And we were certainly seeing this in Australia before the pandemic struck.

While Australia is a far more economically equal nation than the United States, over the past thirty years inequality has continued to accelerate with an increasing concentration of wealth at the top.

In a speech to the Melbourne School of Government on the eve of last year's federal election Wayne Swan noted that the median household income trend started to fall in 2014.

That is, he said, since the Abbott/Hockey Budget of 2014 we have faced trickle-down economics "American style".

What can't be denied is the wage stagnation and low productivity of the past seven years.

Here as in America, regressive tax cuts where the wealthy get the bigger share and the business tax relief have not led to the economic benefits promised.

The top ten per cent of income earners save the extra they get, the bottom ninety per cent spend it. So, if you are looking for economic stimulus you would think it is a no brainer where you would best find it.

Social justice or "inclusive prosperity is in fact better economics – a lesson not so far heeded by the current Australian government.

Swan puts it starkly:

"You simply can't have a prosperous economy while there's a declining share of income going to working people."

Nurses, builders, truckies teachers, hairdressers and shop assistants are just as much wealth creators as bankers, investors and multi-national companies are.

One worker's spending is another worker's income.

More than 60 per cent of the benefits of the Morrison government's stage one and two income tax cuts go to the top 20 per cent.

The stage three tax cuts already legislated come in 2024 – they are the ones Joel Fitzgibbon (who quit his job on Labor's front bench last week) is warning Anthony Albanese to leave in place.

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They are worth about \$130 billion, they flatten the tax rates, and would see a nurse or early educator earning around \$50,000 get a tax cut of \$125 a year while someone on an income of \$200,000 gets around \$9,000 a year.

Varoufakis says even before Covid-19 subdued economies and drove the weak to hopelessness; the International Monetary Fund, of all places, was advocating raising income taxes on the wealthy.

“Now,” he says “ in its October 2020 World Economic Outlook report, the Washington based institution goes further, calling for progressive taxation, capital gains, wealth and digital taxes as well as a crackdown on the tax minimisation schemes by multinationals.”

From an Australian political perspective it looks like a dangerous wish list of electoral poison but there is some light in the darkness.

This month the great American democracy gave us a leader who took much of this agenda to the people and won their support.

Joan Kirner died before she saw Hilary Clinton, the first woman candidate for the United States presidency, defeated by the unscrupulous New York property developer and accused sexual predator Donald Trump. In a sense she was spared that shocking disappointment.

I am sure her heart would have been gladdened and mightily relieved with the massive turn out which saw Joe Biden overwhelmingly win the majority vote of the people and the numbers in the Electoral College.

And what would have the founder of Emily’s List – the advocacy group to fund and encourage more women into politics – have thought of the election of Kamala Harris?

Harris ticks all the boxes – like Kirner, a pathfinder, the first woman vice-president; the most left wing - read progressive – member of the US senate; the daughter of immigrant parents, an Indian mother and a Jamaican father.

I am sure Joan would have been over the moon.

In his victory speech Biden said he believed Americans had called on him to “battle to restore decency, defend democracy and give everybody in this country a fair shot.”

Biden’s election manifesto says his plan is to “make the wealthy and corporations pay their fair share, and provide tax relief for working families.”



To do this Biden is proposing to repeal Trump's high-end tax cuts and then raise taxes on billionaires and corporations.

The manifesto says "Trump wants to give the 100 richest billionaires – who have made \$344 billion during the Covid-19 crisis, a combined \$29 billion tax cut."

Well, listen to this for a list. Biden proposes to:

raise the corporate tax rate,

impose a true minimum tax on all foreign earnings of United States companies located overseas,

close export tax loopholes,

impose a minimum tax on corporations so that none get away with paying no taxes,

raise the top personal income tax rate

and tax investment earning over a million dollars at a higher rate.

So egregiously generous are Trump's tax cuts that Biden was able to promise that no American earning up to \$400,000 would lose their tax relief.

Of course to do all that Biden has to get the so far Republican-dominated senate to agree. The run-off in Georgia might determine otherwise.

Singaporean diplomat Kishore Mahbubani, in his comparison of the Chinese and the American systems in *Has China Won?*, has a chilling observation on the realities of the American democracy – and I have to say they're not dissimilar to our own.

Mahbubani says "the decisions of the US Congress are not determined by the voters; they are determined by the funders (the mega political donors). As a result, America is becoming functionally less and less of a democracy, where all citizens have an equal voice. Instead it looks like a plutocracy, where a few rich people are disproportionately powerful."

Come on, down Gina Rinehart and Rupert Murdoch, just for two.

When he gave his pre-election speech Swan was confident the majority of Australian voters were about to accept Labor's modest proposals on tax changes (and they were really tinkering at the edges) like:

- winding back negative gearing for existing properties;



- ending negative taxation for the wealthiest retirees who don't need it;
- support for a stronger minimum wage, and
- protecting penalty rates for a growing army of casual workers.

But as we all know, Swan was mistaken.

The Australian National University's 2019 election survey found voters trusted Morrison more on tax and the economy than Labor's Bill Shorten.

The Liberals ran a successful campaign claiming "Labor will tax you to death".

Billionaire disrupter Clive Palmer spent close to \$70 million peddling the big lie that Labor would bring back death taxes.

Sadly, maybe Joel Fitzgibbon is right.

Parties from opposition should, to quote him "never get in the way of a punter and legislated tax cuts."

There is always a price to pay, particularly if you are the opposition trying to win government, by shaping policies that can be misconstrued as unfairly taking something off people.

And right there is a challenge for communities wanting to be agents of a just society.

Those who see inclusive prosperity as a foundational value for a true democracy have to fight for it.

At the end of her 2012 oration the former teacher and education reformer Joan Kirner said she had some homework from this conference.

She had six challenges on her to-do list.

The first was to "re-state and re-commit to your values."

Then there was this sage advice: "Plan your individual and collective campaign to strengthen social justice in Australia."

And another task is particularly apt in today's situation: "Insist on our collective responsibility to close the gap in income distribution and provision of services for all citizens – even if it hurts you personally a bit."

No doubt about it, Joan Kirner was something of a romantic, with a firm belief in the better angels of our humanity.

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Bob Hawke was more sceptical, he used to say “in every race always put your money on the horse called self-interest.”

But, friends, that is the point.

It is in everybody’s self-interest that we have a transparent and progressive taxation system based on distributive justice.

We have to confront the glib political appeal to ignorant self-interest.

Tony Abbott on more than one occasion lent weight to the idea that “taxation is theft.”

Rather the theft is from the poor to benefit the rich, or the less well-off to benefit the better-off.

Swan says it’s also stealing from the future.

He described the suite of Morrison tax cuts as “a quarter of a trillion dollars smash and grab on our future capacity to fund health, education and vital public services.”

I cringe every time I hear Scott Morrison say tax cuts are doing no more than handing back to people their money so they can choose what to do with it.

As if any individual, including billionaires like a Gina Rinehart could make a dollar without the enormous social and physical infrastructure provided by government that educates their workers, provides them first world health services and the security of laws enforced for their safety.

And another thing:

A just society cannot depend on philanthropy to sustain it.

Philanthropy, after all, is literally the crumbs from the rich person’s table.

In the nineteenth century the Duchess of Bedford won enormous praise for her Christian generosity every Christmas by giving a bucket of coal to every family who worked on her husband’s vast estates.

You can’t eat coal, and one bucket is a reminder of what you haven’t got for the rest of the year.

The British economist Barbara Ward pointed out it wasn’t until progressive income taxation was introduced that systemic inequality was tackled.

Following Joan Kirner’s example can I urge another piece of homework?



We must resist the continued erosion of progressive taxation and call it out for what it is: the distribution of wealth up from its creators at the bottom to those on top of the heap.

The philosopher Cornell West, an African American who clearly takes his inspiration from Martin Luther King, says:

“Never forget that justice is what love looks like in public.”

It is accepting that the basis of democracy is each person's inalienable right to respect and dignity as an equal to every other human being, irrespective of colour, creed, race or gender.

Before vested interest wields its ability to distort it, the power of democracy is one person's vote is as valuable as another's no matter who they are.

Joe Biden gets it.

He summed up his win “as a victory for ‘We the people’.”

He spelled out his inclusiveness and the taxation policies to help realise it.

Hopefully he will be an inspiration for our leaders here.

America often set the fashion in politics that Australian political parties follow.

This new fashion is one sane and fair-minded people would welcome.

I make Joan Kirner's final words in 2012 my own:

Our task as social justice advocates is to enhance humanity. Thank you for what you are already doing for our common humanity, and may you accept the challenge to keep doing it.

ENDS

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