The Australian Democrats' Corporate Code of Conduct Bill 2000 is before the Parliamentary Joint Statutory Committee on Corporations and Securities. The Bill aims to regulate the activities of Australian companies overseas in the areas of human rights, environment, labour and occupational health and safety. My advice to the Committee is to scrap the Bill. It says more about the Democrats' agenda than about corporate behaviour. It is the next instalment in a much bigger game, to make global moral activists the rule-setters and monitors of corporate behaviour.

The Second Reading Speech of Senator Vicki Bourne is a scandal of unrelated diatribes in search of problems, problems to which her Bill provides no solutions. She recalls the cyanide spill at the Australian owned Esmeralda mine in Romania. But Esmeralda was fined by the Romanian Government. As a consequence the company no longer exists. Of what use is the Bill? She recalls the environmental damage caused by the Ok Tedi mine. BHP is, in effect, a joint partner with the PNG government in this venture. If it pulls out the PNG government will seek another, possibly less able partner, to pursue the venture. The Bill suggests that the Australian Government should legislate for the PNG Government, an overt piece of imperialism. What of the rights of other nations to establish their own regimes for corporations and make their own judgments about development and the environment?

She perpetuates the myth that poverty is caused by corporate imperialism. 'Globally there are 100-200 million children between 4 and 15 years old, labouring in mines, making matches, cooking, washing, weaving, sewing and working in fields, building sites and rubbish tips.' But the greatest gains in standards of living have generally been made in those regions and nations where there is private enterprise, free markets and free trade. The world's rich nations have been the beneficiaries of globalisation.

Dr Gary Johns is a Senior Fellow with the IPA and currently heads the IPA's Non-Government Organisation Project. This project focuses on the need for greater transparency and accountability of the NGOs sector.
where trade, new technology and foreign direct investment have been greatest. Multinational corporations have often been the vehicles for these developments.

The Bill establishes a series of standards of conduct for corporations of the most general kind. These standards are to be reported to the Australian Securities and Investment Commission and in turn to the Parliament. Based on these general standards, not only will a person suffering loss or damage because of the action of a corporation have a cause of action, but also ‘an association of persons whose principal objects include protection of the public interest’ may bring an action.

What is the public interest in these instances? The Bill borrows the 1999 European Union standards for European Enterprises operating in developing countries. Presumably a EU multinational, operating in Australia, could have a complaint brought against it by an Australian, based on the EU Code of Conduct. That complaint may mean that Australians using European conventions may sideline the interests of other Australians, especially the taxpayer. To the extent that NGOs complain about multinationals, globalisation, and the loss of sovereignty suffered by nations, the Code of Conduct may well inhibit rather than enhance one concept of public interest, national sovereignty.

The distinct impression is that the Bill is designed to deal un-elected and self-appointed moral activists into the game, and deal governments out. This tactic leads to the conclusion that governments will need to know more about the integrity and organisation of NGOs. If NGOs desire to have a role in setting standards of conduct, and standing in the complaints process, then they must be subject to the same scrutiny as are corporations and governments.

ABC Conference in Sydney
Their ABC or Our ABC

with balance and accuracy when you have virtue; Christopher Pearson, Editor of the Adelaide Review and columnist, The problem of staff capture; Don Parham, independent documentary film-maker, ex-ABC presenter, Confronting ABC bias—the war we had to have; Pru Goward, ex-ABC reporter and political commentator, Nothing that a good dose of clear thinking won’t fix; Keith Mackriell, Federal Head of ABC Radio from 1974 to 1984, Promise deferred; Franco Papan drea, Director, Communication and Media Policy Institute, University of Canberra, Is public broadcasting needed in a digital age? Tony Moore, Publisher of Pluto Press and ex-producer for ABC TV, Did any-

Keith Mackriell

Prue Goward

Quentin Dempster and Paddy McGuinness

All the papers delivered at the conference, including that of Richard Fidler, who was delayed at the last minute from attending, are on the IPA website.

The Littlemore attack on the ABC Conference is also on our website along with our analysis of the Littlemore program concerning its bias, lack of balance and unfair treatment of the IPA.
The Third C.D. Kemp Memorial Lecture was held at The Australian Club in Melbourne on 12 June. The speaker was The Hon Tony Abbott, Minister for Employment, Workplace Relations and Small Business. He spoke on the topic ‘Making Work Pay’.

The C.D. Kemp Dinner is the central calendar event of the year for the IPA and honours the founder of the Institute. Pictured below are the speaker and some of the guests. The text of Mr Abbott’s C.D. Kemp Lecture can be found on the IPA website.

“Since the beginning of the welfare state, successive governments here and abroad have made the discovery that guaranteeing the wherewithal for life can easily remove the motivation for work … People who would never consciously decide to stay on welfare can often find that working is almost more trouble than it’s worth. A society that discourages work cannibalises its own future. The nagging sense that modern Australia has lost its way owes far more to this fundamental disorientation than to any lack of official compassion. The government is determined to replace passive welfare with a more self-reliant culture providing a series of stepladders to success.’

Tony Abbott
Let the Power Flow
Alan Moran

The Victorian Government finds itself between a rock and a hard place on electricity prices. Either it must allow price increases to households of up to 20 per cent, or it will oversee a version of the Californian electricity débâcle, with retailers like TXU and Citipower going to the wall.

Until recently, inflation-adjusted electricity prices had been steadily falling. This followed five years of reforms and privatisations in electricity supply, which brought vast improvements in the industry’s productivity. For electricity generation, productivity improvements effectively increased capacity bringing lower wholesale prices. Electricity lines have also been more intensively used also lowering average costs in this part of the industry.

For larger users competition translated the lower wholesale prices into lower bills. For households the prices followed from pre-arranged regulated reductions that anticipated the supply glut and lower average costs.

All of this is eventually planned to be places on autopilot—competition in production and for consumers would leave only a residual role for Government. Whether or not this will take place, we are not there yet. A real market for smaller consumers cannot operate properly without cheap metering facilities that allow retailers to tailor their price offerings to customers’ time of day consumption. But within the next year we will have the long-awaited systems in place to allow customers to switch between rival retailers. At that time competition will be able to do the job of ensuring that electricity businesses are unable to exploit a captive consumer base.

In the meantime, some Government intervention in prices to the household market is inevitable.

In this respect, in January the Government required cuts in final customer prices, after the Regulator-General last year mandating a 15 per cent cut in lines charges. Since the beginning of this year, however, the energy component of prices (which accounts for about 40 per cent of total costs) has risen by a half. Although forward contracting allows retailers to cushion some of these costs, the long-term effect of this is minor. Essentially, unless prices suddenly fall, household increases of up to 20 per cent will be necessary over the coming year. This is a matter of simple arithmetic.

Last month the Government received the first retailer applications for price increases. These averaged only 5 per cent. But the Government either did not realise or turned a blind eye to the fact that the applications were only round one. When a third retailer came up with a 15 per cent increase, the Energy Minister, Candy Broad, reacted with horror. She said the company, TXU, ‘has overstepped the mark with price rise proposals of this magnitude.’

Her press release talked as if the price reductions following the review of distribution lines had not taken place. In fact, in January TXU’s prices were reduced by over 20 per cent for small businesses and between one and two per cent for households. It seems that price changes in response to cost decreases are legitimate, but those in response to cost increases are not.

In California, governmental refusal to allow prices to reflect market conditions contributed to supply shortages and brought bankruptcy to of most of the State’s retailers. This is a much worse nightmare than the Government copping criticism, even if ill-deserved, for price increases.

To avoid it the Government has to allow prices to consumers to move up and stop meddling with prices once retail competition is in place. Not only are higher prices important in encouraging new capacity, but without them there will be no retail competition, as new retailers will be priced out of the market, and the financial viability of the existing retailers will come under threat.
The IPA has launched an international first. It has started publishing a monthly corporate newsletter, by subscription only, dedicated to watching activist NGOs.

Non-Government Organisations (or interest groups) are targeting business, government and international organisations as never before. NGO Watch Digest is designed to help business and governments understand the NGO industry by providing reliable, accurate and timely information on these groups, their methods and their activities.

New York Times journalist Thomas Friedman, in his book The Lexus and the Olive Tree, points out that ‘sometimes it only takes one environmentalist waving an e-mail on the floor of his or her parliament to hold up a major power plant project or some other environmentally sensitive deal’.

The NGO Watch Digest covers a broad spectrum of issues and organisations. At one end it examines the anti-business and anti-globalisation campaigns that were the focus of activity in Seattle, in Prague and in Melbourne. It also focuses on the campaigns against individual industries or on specific issues such as forestry, mining, genetically modified food and carbon dioxide emissions. It focuses on campaigns against specific companies, like that against Shell for Brent Spar, or the worldwide attacks on Nike for hiring workers in the Third World. The NGO Watch Digest also focuses on strategies such as anti-corporate shareholder activism, consumer boycotts, ethical investment schemes and corporate codes of conduct.

Aside from monitoring issues as they arise, NGO Watch Digest provides useful information on:
- Emerging trends
- NGO sources of funding
- Organisational Structures
- Activist networks and linkages (domestic, regional and international)
- Strategies and tactics
- The latest research and thinking, in relation to NGOs from overseas.

The editor of this new venture, Don D’Cruz, says that the first two issues have set the approach for the newsletter but that future content will be tailored towards the interests of subscribers.

The feedback from the promotional issue, and from the second one, has already been very positive and the subscriber base is growing. The second issue covered the anti-biotech NGO network in the Philippines in some detail and profiled Friends of the Earth International and the Mineral Policy Institute.

In the next issue, ethical investment and shareholder activism will be the focus, as they are increasingly becoming important tools of activists and NGO’s against companies. It will look at active and past campaigns within Australian and overseas, and examine the trends and latest strategies and tactics being employed. These strategies will be placed in the broader context of corporate and anti-corporate campaigns.

The Bracks Government, under the guise of supposedly defending low-paid workers, is proposing new industrial relations laws which will put onerous burdens on small business, damage business generally, drive investment from the State and discourage employment. The so-called Fair Employment Bill, to cover working employees not under Federal awards, is actually a program to shore up unions, deserted by a third of their members since 1990, by giving them legislative privileges. Anyone running a business in Victoria, or thinking of doing so, should oppose this Bill.

IPA Privatisation Briefing

‘Confessions of a Privatiser’:
The Privatisation of CSL Ltd

BY GARY JOHNS
SENIOR FELLOW, IPA

In their book, Privatisation: Sell Off or Sell Out?, Bob and Betty Walker gave the ‘Wooden Spoon Award’ for Australia’s worst privatisation to CSL Ltd. ‘Shares were sold for $2.30 in 1994, and were trading close to $23 in late 1999.’ Was the Commonwealth wrong to sell CSL? What were its reasons for doing so? Did it sell at the right price, or did it rob the Australian public of a valuable asset? Or was the sale of CSL the realisation of a public asset and a chance for an Australian manufacturer to develop and contribute to the national economy as never before?

June 2001

UNFAIR PRIVILEGES
The Fair Employment Trade Union Rescue and Revival Bill
and how it will damage Victoria

BY MICHAEL WARBY

The Bracks Government, under the guise of supposedly defending low-paid workers, is proposing new industrial relations laws which will put onerous burdens on small business, damage business generally, drive investment from the State and discourage employment. The so-called Fair Employment Bill, to cover working employees not under Federal awards, is actually a program to shore up unions, deserted by a third of their members since 1990, by giving them legislative privileges. Anyone running a business in Victoria, or thinking of doing so, should oppose this Bill.

March 2001
**EVENTS**

**MINEX CONFERENCE**
Eight years ago every backyard galah was chirping for more micro-economic reform. The flock of supporters is now decidedly thinner and much quieter. Indeed, reform is on the nose with punters and, therefore, increasingly with governments. Mike Nahan was a keynote speaker at the Minex 2001 Conference (Mining & Exploration International Conference & Expo) in Perth on 23 March on the topic Micro-economic Reform: Unfinished Business. He warned that there is now virtually no reforming government currently in power in Australia and that the voices of reform from industry, universities, and civil society have weakened greatly.

**HORROR ECONOMICS ... Not!**
It is true that Australian politics has come to be haunted by two words: Economic Rationalism. These words have been burnt into the Australian mind with a fire that is still well alight.

A withering critique of Australia’s leading politically correct thinkers who attempt to denounce the purveyors of allegedly socially destructive economic policies was given at an IPA Dialogue by Dr William Coleman from The University of Tasmania on Tuesday 27 March 2001. He is co-author, with Alf Hagger, of a long-needed book, Exasperating Calculators: The rage over Economic Rationalism and the campaign against Australian economists.

In his talk, Dr Coleman named names of those members of the chattering class who, through their desire to attack, misunderstand and misrepresent economic rationalism, simply get their facts wrong. He outlined the historical mythologies that are conjured by partisans in this confrontation and probed the ideological rivals to Economic Rationalism; the Third Way, Civil Society and Corporatism.

**TERRIBLE MISTAKE**
‘It’s all been a terrible mistake!’ cry the critics of modernisation. The debate about globalisation is used by these critics as the stalking-horse for the wider and more fundamental critique of liberal-democracy, warned Gary Johns, speaking at a Western Mining Corporation ‘Senior Management Conference’ in Melbourne on 4 April.

Globalisation is a real process, he explained, but it is burdened with some unreal debate. Australia has enough to deal with making the necessary adjustments to modernisation and the triumph of liberalism, without at the same time having to fight an intellectual tide of opinion led by the beneficiaries of the liberal/modernist triumph. Globalisation as a tool of analysis has very little to offer the critique of modernisation, but that will not stop its detractors from portraying it as the next big bad thing.

**FREE TRADE DEBATE**
The argument that trade drives the world to the lowest common denominator is old Marxist clap-trap. That there should be uniform world standards for wages, working conditions and the environment is a particularly phoney form of neocolonialism.

Mike Nahan was outlining some of the problems with the idea of ‘fair trade’ at the Free Trade Debate in Melbourne on 22 May. Over time, and often at great cost, nations have come to learn that most of these claims are untrue and that the proposed solutions created even wider divisions. They understand that free trade is necessary for prosperity; that it drives innovation and leads to better products, better-paying jobs, new markets, and increased savings and investment; and that it spreads the value of freedom, reinforces the rule of law, and fosters economic development in poor countries.

**A NEW ENERGY TAX**
Proposals that would ensure greater consultation in the electricity and gas industries from bodies claiming to represent end-users run the danger of inspiring calls for levying suppliers to fund them. There is already considerable opportunity for almost any organisation or individual to comment on regulators’ proposals regarding electricity and gas. Alan Moran was arguing his case in a submission this month to the Productivity Commission’s Inquiry Into Clause 6 of the Competition Principles Agreement and Part IIIA of the Trade Practices Act 1974 on the subject of funding end-user advocacy. The Commission was seeking views on ways to facilitate the participation of consumers. Alan explained that the IPA saw no reason to support the proposals, which amount to a tax on market participants (in the final analysis, the consumers) with the sums raised to be allocated to groups that claim to represent the public.
In his new book *In Denial: The Stolen Generations and the Right*, Robert Manne makes a number of allegations about an orchestrated ‘right-wing’ campaign to deny the existence of the ‘stolen generations’. I am given a significant role in this supposed campaign, because of my writings criticising the HREOC inquiry on the ‘stolen generations’ and its report, *Bringing Them Home*. Yet even while flaying those who first pointed out the numerous serious flaws in *Bringing Them Home*, Manne concedes major weaknesses in the report. Unfortunately, however, his concessions are undermined by an indifference to factual evidence on other matters that is incompatible with intellectually and morally responsible scholarship.

I have made general comments on this book in press articles which are on the IPA Website, but in this document I refute the specific criticisms that Manne makes of me, the IPA, and my writings, on a point-by-point basis. I have only covered those statements which refer to me directly or by implication. Therefore the corrections below cover only around 10 per cent of the book as a whole.

There are a great many other misrepresentations, errors of fact, unsubstantiated *ex cathedra* statements and similar serious defects of scholarship in Manne’s book, affecting many named individuals who are supposedly a part of the ‘campaign’, but I have left these to others to point out. What is so extraordinary about Manne’s attack is that while apparently attempting to protect his credibility by finally admitting that *Bringing Them Home* falls down in many ways—something that has long been obvious—he has jeopardised his credibility even further by making reckless statements relating to his opponents which make *Bringing Them Home* a fine work of scholarship by comparison.

Ron Brunton’s IPA backgrounder, *Betraying the Victims*, is downloadable from the IPA website, under Publications/IPA Backgrounders.

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**The Culture Wars and Robert Manne**

**Correcting the False Scholarship Syndrome**

Ron Brunton

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**Even If It Is True, Manne Thinks You Shouldn't Be Saying It**

**Manne:**

‘At the time he published his pamphlet, public opinion overwhelmingly accepted the truthfulness and moral seriousness of what *Bringing Them Home* revealed. Brunton was, then, critical of *Bringing Them Home* for exposing the Aboriginal victims of child removal to precisely the kind of mean-spirited and nit-picking criticism he had pioneered’ (page 42).

**Brunton:**

The only implication I can draw from this is that if people had accepted *Bringing Them Home* as a truthful account of the issue it was wrong to disabuse them of this notion, even though I have always been adamant about distinguishing the moral seriousness of the issue from the irresponsible way it was dealt with by *Bringing Them Home*. In fact in November 1997, Manne told me that I should not publish an attack on *Bringing Them Home*, even though he conceded that there were serious weaknesses in the report, because it would provide ‘the right’ with ammunition they could use to dismiss the whole issue.

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**All the latest available on our Website**

**www.ipa.org.au**

Apart from listing our publications, the IPA website contains the many non-published speeches and submissions by IPA staff members. There are also complete, up-to-date copies of all newspaper articles published by IPA staff.

**Recent Submissions and Speeches**

- Review of the National Access Regime—Alan Moran, June 2001
- Papers from the IPA’s One-day Conference, Their ABC or Our ABC?—31 March 2001
- ACCC Inquiry into Telecommunications Price Controls—Jim Hoggett, 11 February 2001
IPA Media Profile

10.02.01 Herald Sun California nightmare Mike Nahan
Feb 01 The Adelaide Review A fine year of self-indulgent whine
Michael Warby
17.02.01 Courier Mail A chance to revisit the dream, not the nightmare
Ron Brunton
20.02.01 Radio National Family matters, Geraldine Doogue with Mike Nahan
22.02.01 ABC TV Darwin Alice Springs-Darwin railway
Mike Nahan
24.02.01 Courier Mail Cult of a leader Michael Warby
24.02.01 Canberra Times No cure until ABC admits there’s a problem
Michael Warby
24.02.01 Herald Sun A railroad to nowhere Mike Nahan
24.2.01 ABC TV Darwin Economic Outlook Mike Nahan
24.02.01 Courier Mail Who’s sorry now Ron Brunton
26.02.01 AFR There is still time to get it right Mike Nahan
02.01 ABC TV Deliberative assembly on reconciliation Ron Brunton and Gary Johns
1.3.01 Sunday Times Paul Ham speaks to re ‘stolen generations’
Ron Brunton
2.3.00 Channel 7, Interview on government decision to reduce fuel excise Mike Nahan
02.03.01 AFR Keating’s dopey tax plan. Letter from Mike Nahan
03.03.01 Courier Mail Subtle bias towards polling groups
Ron Brunton
06.03.01 ABC TV, On-line forum on future of ABC Michael Warby
6.03.01 ABC Lateline Discussion on Woodside/Shell with Alan Moran
8.03.01 AFR There’s still room for personal tax cuts Jim Hoggett
10.03.01 Herald Sun Union’s anti-Nike push trips up workers
Mike Nahan
10.03.01 The Canberra Times Forget the economy, it’s about the culture, stupid Michael Warby
11.03.01 The West Australian Ann Burns discusses the WA Government Administration Review with Mike Nahan
12.03.01 ABC Perth Liam Bartlett discusses WA Govt admin review with Mike Nahan
12.03.01 AFR The Coalition’s cultural incompetence
Michael Warby
12.03.01 ABC Sandy MacHutchison discusses Woodside & Shell takeover with Mike Nahan
13.03.01 Sun (Malaysia) Anti-GE drive backed by US radicals, quoting IPA & Don D’Cruz extensively
17.03.01 Courier Mail Bridge too far for politicians to reconcile
Ron Brunton
18.3.01 The Sun on Sunday 24.03.01 Herald Sun Going out feet first Mike Nahan
28.03.01 ABC Radio, 4QR Brisbane, Tony Delroy’s ‘Australia’s Soul, Where is it at?’ Tim Costello debates Gary Johns
29.03.01 ABC 7.30 Report Robert Manne debates Ron Brunton
29.03.01 ABC TV Darwin Interview on Alice Springs/Darwin railway
Mike Nahan
29.03.01 ABC Radio Darwin Interview on Alice Springs/Darwin railway Mike Nahan
31.03.01 Courier Mail Paying the price of a Western fantasy
Ron Brunton
April 01 The Adelaide Review Club Virtue Michael Warby
02.04.01 AFR Bush gives Howard a green light Alan Moran
02.04.01 ABC Radio National Peter Barkley discusses Greenhouse issues with Alan Moran
03.04.01 AFR Rod McGurk interview on Alice Springs/Darwin railway Mike Nahan
04.04.01 AFR Blindly following US a perilous course: letter on article (AFR 2.4.01) by Alan Moran
04.04.01 The Australian Stand up for capitalism Mike Nahan
04.04.01 The Age The stolen reputation Ron Brunton
06.04.01 SDN Ken Dickens interview on Robert Manne book
Ron Brunton
06.04.01 ABC WA Russell Woolfe interview on North West Shelf gas line in WA Mike Nahan
07.04.01 Herald Sun Bracks faces the facts Mike Nahan
07.04.01 Courier Mail A difficult position Ron Brunton
14.04.01 Courier Mail Planet Earth put a hold on Ron Brunton
16.4.01 ABC Radio Adelaide John Murch interviews Mike Nahan
18.04.01 The Age Sorry? As a matter of fact, I am. Letter from Ron Brunton
19.4.01 The Australian Imprisoned by old ways Ron Brunton
20.04.01 The Australian Have some faith in our democracy Gary Johns
21.04.01 Herald Sun User pays… and pays Mike Nahan
24.04.01 AFR National value destroyed Mike Nahan
28.04.01 Courier Mail Little more than fiction Ron Brunton
5.05.01 Herald Sun Politics or petrol prices Mike Nahan
9.5.01ABC NT Michael Coggin discusses East Timor with Mike Nahan
14.5.01 The Age California is a lesson in power failure Alan Moran
May 01 Quadrant The failure of Aboriginal Separatism Gary Johns
19.5.01 Herald Sun Bracks does easy bit Mike Nahan
22.5.01 AFR To billyo with corporate code Gary Johns
12.5.01 Courier Mail Cook plays racism card Ron Brunton
26.5.01 Courier Mail No state role in family affair Ron Brunton
2.06.01 Herald Sun Lies behind global trade Mike Nahan
6.06.01 The Australian Stay wedded for all our sakes Andrew McIntyre
18.06.01 Herald Sun Let the power flow Alan Moran