

## ***The Year Ahead***

### ***Annual Cocktail Party***

Mannkal's annual cocktail party, *The Year Ahead*, (held on 18 March) gave Mannkal's supporters an opportunity to share ideas as they heard from a number of speakers from the Mannkal family.

#### **Lion Rock Institute Internship – Luke McGrath**

In his speech, Luke gave a brief overview of the Labor Government's proposed internet censorship legislation. This was discussed in light of the research he undertook during his internship at the Lion Rock Institute in Hong Kong earlier this year. The internship involved the exploration of the Hong Kong Government's plans to amend their censorship laws. Luke concluded that while both the Australian and the Hong Kong governments may only be attempting to protect the young and impressionable, censorship laws are, nevertheless, fundamentally an attack on the free and open society and must be opposed. [Click here to read Luke's speech.](#)

#### **Mannkal/ UWA Essay Competition – Brad Kerin**

Brad, as president of the Economics and Commerce student group (ECOMS) at UWA, gave a short outline about a new essay competition which is offered to students at UWA. The *Mannkal/ECOMS Essay Competition* was run for the first time in 2008. It asked students to explore free-market ideas and present them in a short essay. Brad introduced the three runners-up for the 2008 competition as Virginia Gogan, Rhys Kidd and Alistair Marchesi and the overall winner as Callum Jones. After accepting their award, each of the winners gave a short synopsis of their papers.

Virginia spoke about the effectiveness of Australian development aid policy to Papua New Guinea. Papua New Guinea's economy has performed very poorly since independence, mainly due to government failure through endemic corruption and poor governance. In concurrence with the broader empirical literature on international aid, Australian development aid has been found to have no effect to stimulate economic growth in Papua New Guinea.

However, Virginia noted that the large quantity of Australian aid can be seen to have unintended consequences in two ways. Firstly, Australian aid is highly fungible. That is, while nominally spending aid dollars on core service delivery in health and education, Papua New Guinea can direct other revenues to support an inefficient bureaucracy and fuel corruption. Secondly, Australia's contribution to the Papua New Guinea budget undermines the tax-based bargain between citizens and government which would create a more potent constituency for better governance quality. While sapping accountability in this way, Australia also lacks the political conviction to demand policies which could stimulate economic growth. [Click here to read Virginia's paper.](#)

Rhys commented that much public comment has been addressed over the last five years to the Western Australian Government's perceived lack of openness, transparency & accountability. As these concepts are difficult to quantitatively measure, Freedom of Information (FOI) Act request statistics were used as an appropriate proxy. Around the world FOI laws have become an important tool for private citizens, free press and public commentators to ensure government accountability.

However, Rhys explained that while the raw number of whole-of-government FOI requests have increased over the last five years as public awareness improves, the percentage of requests across Ministers and the Department of Premier & Cabinet that were outright refused have also increased from seven percent in 2002 to 34 percent in 2007. It is argued that this is a reflection of the considerable discretion afforded to the government of the day to refuse or only partial disclose information in the WA FOI Act. [Click here to read Rhys's paper.](#)

Alistair observed that participating in the essay competition was a simultaneously challenging and rewarding experience. He noted that quite often in writing for university economics at an early stage of study, one's ability to apply theory to a broad range of scenarios is limited to a single assignment question. A competition such as this that gives contestants the capacity to apply economic theory and knowledge to a wide range of contemporary issues is therefore a distinct and beneficial experience.

Alistair explained that his essay considered the *sources of prosperity*, a subject he interpreted as an invitation to look at what causes and sustains growth in economic wellbeing. Providing a synopsis of the current academic wisdom surrounding economic growth led to the conclusion that while many factors can catalyse prosperity, several distinct ones will ensure its longevity; in particular education and technology.

Alistair concluded that the application of studies to the real world is what most students aspire to do and this is afforded by the Mannkal essay competition. He

is now looking forward to the contemporary topics of 2009. [Click here to read Alistair's paper.](#)

Callum explained that the essay written for the Mannkal essay competition investigates criticisms on two recent and government-commissioned climate change reviews, the British Stern Review (2007) and the Australian Garnaut Review (2008). Both reports are likely to shape British and Australian public policy on climate change mitigation. Given the breadth of the reviews, the essay focuses on specific criticisms of assumptions made about: (i) how to discount future utility; and (ii) the consumption elasticity. The essay looked at whether the discount rate chosen by Stern and Garnaut is consistent with real world evidence and the literature, and shows that the approaches taken by Stern and Garnaut have implications for the implied cost of carbon. [Click here to read Callum's paper.](#) [The issue of carbon being beneficial or a danger was covered separately in general conversation at the cocktail party.]

### **Freedom Factory – Andrew Pickford**

Andrew announced the premier policy forum for 2009, Mannkal's *Freedom Factory*. He explained that the *Freedom Factory* vision is to provide students and professionals, poised for future leadership roles, with an insight into how classical liberal, market liberal and libertarian philosophies apply in practice. *Freedom Factory* will take the form of a conference focused on short presentations and discussions with economists, including Steven Kates, David Harper and William Coleman, and politicians such as Michael Keenan. *Freedom Factory* will be held the afternoon of July 13 and students and young professionals are encouraged to register their interest with Jessica Pandal ([Jessica@mannkal.org](mailto:Jessica@mannkal.org)). [Click here to read Andrew's speech.](#)

Good evening. Firstly, I just want to give a big thank-you to the Mannkal Foundation for the scholarship that gave me the opportunity to work at the Lion Rock Institute. It was a wonderful experience and I learnt a lot and if it wasn't for Ron and the rest of the Mannkal team, I wouldn't have been able to go, so again, thank you so much.

Tonight I want to briefly talk about Internet censorship. One of the things I looked at when I was in Hong Kong was their government's plan to amend their censorship laws, which includes not only Internet content, but magazines, books, newspapers, DVDs, etc. I'll touch on the Hong Kong case in a moment, but first I want to explain a little bit about the Labor Government's proposed mandatory filtering and censorship plan here in Australia. The legislation, called a Cyber-Safety Plan by the Government, would involve forcing all Internet Service Providers to implement a server-based filtering and blocking system.

It will work by having 2 tiers of filtering. The first tier will block access to content that is unsuitable for children. This is what the Government is calling a 'Clean Feed' and Australian Internet users will be able to opt out of this. The second tier will block prohibited and potentially prohibited content and Australians will *not* be able to opt out of this.

Now on the face of it, this seems reasonable. If the content is prohibited – why should people be able to opt out? The problem, though, is what prohibited material actually *means*, as the terminology is highly misleading. Included within this legislative definition is material that *is*, in fact, lawful for Australians to publish, distribute and obtain offline and material that is currently now *not* illegal for Australians to view online. The Government, and in particular, Stephen Conroy, the Minister for Broadband, Communications and the Digital Economy, are being entirely disingenuous when they state that this compulsory filter is only designed to block child pornography websites.

Things that are classified R18+ and MA15+, that is, material which is considered unsuitable for children, is actually termed "prohibited content" in Commonwealth Internet censorship legislation which was originally enacted in 1999. So this mandatory filter is not about blocking access to child pornography, it's about blocking Australians' access to material that the government does not think is suitable for *anyone*. Gambling websites, standard pornography, gay and lesbian content, references to drug and alcohol use, sex-education and family planning, anti-abortion websites and anything that is considered unsuitable for children is the kind of content that will be blocked. This is unprecedented in the Western world. Only in somewhere like Saudi Arabia would you find this level of censorship.

Now I think that, just on free speech grounds, this legislation is very troubling. But there are a number of other reasons why the government's Internet censorship legislation is a pernicious policy.

Firstly, the filters that will be installed at the Internet Service Providers can only track URLs and web content. They will not be able to monitor material that is accessed through file-

sharing programs and through peer-to-peer networks. Individuals are innovative and will always come up with new ways of getting around obstacles. People can connect to other people's computers directly and this means that they can bypass the government's filter.

Another bad aspect of the government's filter will be the huge number of false positives. This is when something is blocked that even by the government's standards should *not* be blocked. The best result of one basic trial that was conducted in Tasmania in 2008 found that the rate of false positives was 3% which, if applied to a medium sized ISP, would still result in thousands of mistaken blocks per second.

If the government's plan is introduced, the speed of Internet access *will* fall and the price of Internet access will rise. Purely on economic grounds this is very damaging and will place Australia at a competitive disadvantage to the rest of the world. It would be amusing, if it wasn't so ridiculous and harmful, that on the one hand the government makes the argument that billions of dollars need to be spent on a National Broadband Network because Australia is falling behind; but on the other hand, they want to introduce legislation that would limit the speed and accessibility of the Internet.

When I was in Hong Kong, I researched the Control of Obscene and Indecent Articles Ordinance. This is the Hong Kong Government's law that was enacted to classify and control various print and electronic media. They were reviewing the law and were opening it up to public consultation because, according to the Hong Kong Government, "in the last few years, newspapers and entertainment magazines have time and again published articles and photos that have subsequently been ruled to be indecent or worse," and that "members of the public are also increasingly concerned about the dissemination of obscene and indecent materials on the Internet."

Once again, definitions are crucial. What does obscene and indecent mean? There is no objective measure by which the government can determine what *is* obscene and indecent because these are inherently subjective concepts.

The public consultation that is now taking place in Hong Kong about adjudication systems, classification systems, enforcement and penalties, and how the law should be applied with regard to new forms of media, all rest upon this faulty premise that the government *can* define obscenity and indecency.

The proponents of the censorship laws in Hong Kong and the Internet censorship laws here in Australia will claim that the respective laws are only intended to protect the most vulnerable in society, the young and the impressionable, from material that is violent, deprave or repulsive. But again - what is violent, deprave or repulsive will differ from person to person. Some parents may think it's perfectly fine to allow their children to watch cartoons that other parents may consider far too violent. Is it not reasonable to insist that it

is the duty of the *parents* to determine what is best for their own children? They are the ones who have raised them and are in the best position to judge their level of maturity.

But here in Australia, the government is attempting to not only “protect” children, they’re also attempting to “protect” *everyone* – whether we want this protection or not.

There is something deeply disturbing about governments that want to outlaw dissent and attempt to stop its citizens from accessing information and content that certain officials think we should not have access to.

To live in a free and open society is to recognize that individuals have divergent views and standards and we should not be attempting to use laws and police powers to interfere with people, so long as they’re not committing violence against anyone else. In the case of Internet censorship here in Australia, this does *not* mean that we have to approve of everything that people search for or download when they’re online, only that their desire to do so be respected.

Thank you.

# Mannkal Cocktail Party “The Year Ahead”

The Weld Club, Wednesday March 18, 2009

Andrew Pickford

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Thank you for the opportunity to speak about *Freedom Factory*.

*Freedom Factory* is a half day conference to be held on July 13 at Curtin University designed to promote free-market ideas to the next generation of young leaders.

By way of introduction, I previously worked at the think-tank Future Directions International which is chaired by Michael Jeffery and am now at Western Power. Having seen how ideas can be promoted within the policy making process, I believe that that the work of organisations such as Mannkal are not only important, but crucial.

The history of my involvement in Mannkal is a little convoluted. I arrived back from a Centre for Independent Studies Advanced Liberty & Society seminar late last year and became focused on creating a similar event here in Perth. Some would say I was mad with zeal.

For those of you not familiar with these types of events, they are essentially forums where academics, policy makers, corporate leaders and politicians come together and discuss how libertarian and free-market philosophies are applied in practice for the benefit of both students and young-professionals.

In looking to put together a Perth-based CIS event along these lines, I was directed to Ron Manners and quickly reached the conclusion that I would be of most use if I helped shape Mannkal's *Freedom Factory* event rather than create a new event from scratch.

Also, in true Western Australian spirit, I thought that a locally created and run event would be better than an eastern states import.

Essentially, the *Freedom Factory* vision is to provide students and professionals, poised for future leadership roles, with an insight into how classical liberal, market liberal and libertarian philosophies apply in practice.

*Freedom Factory* will take the form of a conference focused on short presentations and discussions with economists, including Steven Kates, David Harper and William Coleman, as well as politicians such as Michael Keenan (who is actually an alumni of the CIS Advanced Liberty & Society seminar).

I believe that these events are important, especially since we have all witnessed the re-writing of history and promotion of Keynesian ideals in Kevin Rudd's questionable, but comprehensive, *Monthly* essay.

From reading today's *Australian*, I note that this essay is being pushed through our embassies and high commissions around the world.

To deal with the outcomes of the general thrust of the *Monthly* essay, a new generation needs to be provided the tools to help create an intellectual framework for rolling back the excesses which will occur in legislation, expanded state control and increased taxation.

This will be similar in many ways to how a small, but determined group of public intellectuals and academics prepared the ground for the Thatcher and Reagan revolutions. However, *Freedom Factory* will not simply be a replay of old battles.

As mentioned above, Mannkal's *Freedom Factory* will be held the afternoon of July 13 and I would encourage the students and young professionals in this room to register their interest with Jessica Pental ([Jessica@mankal.org](mailto:Jessica@mankal.org)) as well as advising other like minded people of the event.

Also, for those of you further advanced in your careers, I would also encourage you to contact Jessica as it would be fantastic to tap into a wealth of experience which has been gained in free enterprise and also involvement in earlier policy debates over the respective role of markets *vis-à-vis* the state.

Finally, on a separate and unrelated matter to Mannkal, I am involved with the Washington DC Heritage Foundation and their Thatcher Center for Freedom unit. The Thatcher Center works on, and advocates, a number of issues similar to Mannkal. I would very much like to see a greater level of Australian input into this unit, especially as it has become an important promoter of the Anglosphere and is providing to be an important base for future leaders and intellectuals for both sides of the Atlantic. If you are interested in further information on this work, please contact me after the formalities of this event.

Thank you and I look forward to seeing many of you at *Freedom Factory*.