



## The Four Pillars

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The 'Four Pillars' policy has achieved almost cargo cult status among politicians of all persuasions, business commentators and academics. It is carried shoulder-high amid chanting about the sanctity and integrity of Aussie banking. The reality is that the Four Pillars policy provides government protection for the organised kleptocracy of the major banks: the Commonwealth, ANZ, Westpac and NAB. Despite official denials that they connive, they arrogantly impose similar interest rates on borrowers and depositors and inflict extortionate charges on their customers to make mega-billions for their shareholders and mega-millions for their CEOs.

After the Big Four made more than \$21 billion in profits this year, it would seem obvious that the banks are quite capable of looking after themselves, thank you. The four CEOs are also comfortably in the money with CBA's Ralph Norris leading the way on an annual salary of \$16 million. The other three – Gail Kelly (Westpac), Mike Smith (ANZ) and Cameron Clyne (NAB) – share a further \$30 million between them.

While the federal government and the Opposition seem obsessed about the welfare of the banks, there has been a woeful neglect of the Four Pillars which really matter to our future: the ABC, the CSIRO, the Australia Council and the Post Office. These are the pillars that need to be nurtured and protected by the federal government and all public-spirited Australians. Regrettably, all four are under constant criticism, pillage, review and financial punishment from vested interests in politics, hardline conservatives and the private sector.

Their crime? They are state-owned public institutions, largely successful, which – unlike the banks – hold a place of respect among the general public. Among severely disturbed Liberals they represent the building blocks of earlier Labor administrations and therefore, like John Howard's culture wars, they must be fought to the death. The commercial interest in marginalising these entities is driven by greed. For example, if the ABC can be relegated to the sidelines, Murdoch, Packer and Telstra can grow their Foxtel business. Similarly, a savaged Post Office could lose its postal services to foreign-owned private competitors.

Between them, these four national institutions play the most critical role in nation-building. The ABC sets the benchmark for the highest standards of broadcasting, raises the national culture and promotes an intelligent conversation within Australia and with the world; the CSIRO is the engine room of science, research and discovery; the Australia Council is the seed bed for encouraging our writers, artists, musicians, dancers, actors and other professions in the visual and performing arts; and the Post Office has been around for almost 200 years providing mail services and simple banking services to rural and regional Australia with the next phase of its existence yet to be tapped. Read on.



When former Prime Minister Paul Keating said 25 years ago that one of his missions was to make the National Press Gallery economically literate, he perhaps didn't realise that he would turn Canberra parliamentary reporters into unsophisticated, gullible overnight experts. Now they drill the narrative of the economy without subtlety or understanding, one day following Treasury and the next day swept along by Joe Hockey, Access Economics or the latest trend survey from the OECD, the IMF or the World Bank. They have discovered a lode-bearing story and they are mining the life out of it.

But try to interest the media in a story on any of my Four Pillars – the ABC's daring move into the digitalised era; the CSIRO's environmental, agricultural and medical discoveries; the plight of the Australia Council's finances, administration and top-heavy bureaucracy; the Post Office's dash into an uncertain future under new CEO Ahmed Fahour, a former successful merchant banker – and the chances of any serious coverage are slender. Because these subjects involve thought, investigation, debate, analysis and ideas, they are not likely to attract people who graze on a 24-hour news cycle in the sheltered workshop of Federal Parliament.

After a decade of punitive cuts to the ABC, the Rudd government restored some spending and encouraged limited expansion. Managing director Mark Scott has unloaded some of the lunar Howardistas from his board and taken the ABC on a courageous trajectory to increase its audience, particularly among young people, and brighten its content, whether it is current affairs, light entertainment or sport.

There is no sense that the Gillard government supports or welcomes the initiatives taken by Scott and his management team. Instead, there is the strongest impression from Communications Minister Stephen Conroy, Defence Minister Stephen Smith (who was an insipidly weak shadow communications minister) and other ministers that they are searching for 'broadcasting balance', i.e. tipping the scales in favour of the three free-to-air operators, Kerry Stokes' Seven Network, Channel Nine and Ten, the Packer/Murdoch-owned player. Since becoming Labor leader, Ms Gillard has shown an uncommon partiality to give interviews and appear in debates on Foxtel rather than the publicly-owned national broadcaster and so have most of her ministers. It goes without saying that Foxtel is the network of choice for Tony Abbott. The ABC needs a champion in government (or Opposition) but there aren't any candidates in sight.

Another voiceless institution is the CSIRO. Established in 1949 by the Chifley government, it is a world-class organisation with a long list of inventions and discoveries to its credit. It is possible to argue that had the commercial profits of its scientific breakthroughs been returned to the organisation, it would not only be prosperous but probably self-funding. Its decimation by ignorant federal politicians and smug Treasury razor gangs has been one of the nation's most woeful stories. Whenever a budget cut was needed, the CSIRO's funding was slashed and Cabinet ministers slapped each other on the back celebrating what good economic managers they were. The sustained funding attacks resulted in dozens of scientists leaving the country for overseas positions, taking with them their ideas, inventions and passions. Not just one generation of scientists was lost but two, and the nation is still suffering the consequences of this wanton stupidity. The



organisation's current CEO, Dr Megan Clark, worked for 15 years as a senior executive with Hugh Morgan's Western Mining Corporation, became a director of NM Rothschild & Sons between 2001 and 2003 and was recruited from another mining behemoth, BHP-Billiton, in 2009 to become the CSIRO's standard bearer. Will the frontiers of science and discovery be trail-blazed under her reign? There's little evidence of that. The bean counters have installed business models and performance targets, research is skewed towards the commercial interests of the private sector and not the needs of the nation, and the brain drain persists.

Founded by the Whitlam Government in 1973, the Australia Council is another organisation that has been repeatedly robbed by Treasury. Unlike the Whitlam administration, which wore its cultural credentials on its sleeve, successive Labor governments have used the goodwill of the arts community for cynical electoral purposes. Howard froze out the arts, believing its practitioners to be communists, homosexuals or both. There is no recorded example of Howard recommending or reading a novel during his prime ministership, or attending the theatre, ballet, opera concerts or the cinema. Philistinism ruled and the Rudd and Gillard governments have done precious little to change the suffocating anti-arts atmosphere. All that is required is to rebuild the Australia Council with funds and a pro-active administration which sponsors the arts with the same energy as the stimulus package did for the private retail and banking sectors.

With the mass appeal of emails and internet technology, the Post Office's mail revenues and earnings have fallen dramatically, drawing the state corporation to an historic juncture in its existence. The new CEO Ahmed Fahour, the son of immigrants from Lebanon, made a name for himself on Wall Street with the US bank Citigroup and was hired by NAB in 2004 to rebuild the bank's Australian business. He was once nominated to head Kevin Rudd's stillborn Australian Business Investment Partnership, or Rudd Bank, to stimulate commercial property lending. He is the first banker to run the Post Office and his arrival in May has raised speculation that the postal corporation may become a fully-fledged bank and not simply an agency providing some of the services of banks and other institutions. Former CBA chief David Murray, who now runs the Future Fund, has expressed his support for the Post Office morphing into a bank but the move has raised the ire of the Four Pillars, who don't want to face any extra competition, least of all from the Post Office which has thousands of potential high street branches all over the country. Having created an oligarchy of greed, the government is now under pressure to increase banking competition and the Post Office option makes sense: it would be a natural successor to the Commonwealth Bank which was privatised 20 years ago in an earlier era of corporate-government banditry.

My Four Pillars may not be yours. There may be other iconic institutions such as the National Health and Medical Research Council which other readers will be passionate about. It's high time our political classes and media stopped slavishly appeasing the banks, super-taxed their super profits and CEO salaries and started concentrating on the pillars that will build Australia and not just suck the blood out of it.

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