

# Season 3 episode 6: Richard Denniss

## SUMMARY KEYWORDS

economists, economics, australia, fossil fuel industry, modern monetary theory, inflation, tax, people, reserve bank, economy, government, idea, talk, consumer price index, afford, work, economic growth, coal mine, webinar, pay

## SPEAKERS

Lily Spencer, Richard Denniss

### **Lily Spencer** 00:15

Hey everybody, and welcome to the reMAKERS. I'm your host, Lily Spencer, and you're in for such a treat. This conversation is with the one and only, Richard Denniss. Richard is someone who many of you already know. He is an economist, he is the Executive Director of the Australia Institute, which is a very prominent, independent policy think tank based in Canberra. They have a number of really interesting arms – Centre for Future Work, Nordic Policy Studies, Responsible Technology. And I think more than any other economic, kind of, voice or a think tank representative that I can think of, what their gift is, is sort of debunking what Richard calls "econobabble." All of the jargon, and sort of BS. The veneer that is used to conceal, kind of, politics and power and choices that are being made, but justified in the name of the economy. Like "we couldn't possibly do anything different because the economy would suffer, and therefore, so would all of us." This is an absolutely fabulous, hilarious, insightful and eye-opening conversation – as every conversation I have literally ever had with Richard is – about the state of the economy right now, about what he would be doing differently, about what he really wants Australians to understand. He is just a really important voice and mentor. And I want to give him some credit here, because he mentors people behind the scenes a lot. He did it for me, when I was first starting out in my career as a newbie campaigner, nervously walking the halls of Parliament House, 22 years old, you know, had go out and buy a suit. And he took the time to meet with me about what I was there to do, and what I wanted, and explain a little bit about how this place actually worked. I think he was Chief of Staff for Natasha Stott Despoja at the time. So he's been around a long time, he talks about his inspiration, as kind of the people that are actually championing change and doing this work on the ground and lots of little different ways and pockets and how he tries to kind of throw his expertise and weight behind them when and where he can. It's just a fabulous conversation that I think will leave you feeling more confident and empowered to call BS, to advocate for what you want, to make your opinion heard. And to know that we can have nice things, you know. As he says, Australia's one of the richest countries in the world, we can have anything we want, maybe not everything we want. And so really, a lot of this stuff doesn't come down to economics, so much as politics and choices and who's making their voices heard. So I hope that you find this conversation to be an absolute shot in the arm, I certainly did in the best possible way. Here's Richard Denniss. All right, Richard Denniss, it is such a delight to have you here on the reMAKERS podcast. Thanks for stopping by to chat to us.

**Richard Denniss** 03:30

Thanks for having me.

**Lily Spencer** 03:31

I'll start with just a, kind of, getting to know your question. Why did you become an economist?

**Richard Denniss** 03:35

Because I tried to get a job in the coal mines, and they wouldn't have me. True story. I tried to leave school in year 10. And then I did an accounting degree, or enrolled in an accounting degree for no particular reason. But I failed accounting and did alright in economics. So I just wound up doing economics.

**Lily Spencer** 03:57

And that is the legacy we have today.

**Richard Denniss** 04:01

Failed ambition, failed ambition.

**Lily Spencer** 04:06

Why a coal mine, that was just a local job going when you were a kid, or you especially wanted to work in one?

**Richard Denniss** 04:12

No, it was just a well-paid, local job. A bunch of friends worked in there, and I liked the idea of shift work, so I could surf in the day and often work at night.

**Lily Spencer** 04:20

And do you still keep in touch with those friends who went into that?

**Richard Denniss** 04:24

Yeah, yeah, absolutely. No, I grew up inside two coal-fired power stations and surrounded by coal mines. So I love it when people tell me that wind turbines are ugly, because I could hear the coal-fired power stations from my bedroom.

**Lily Spencer** 04:38

Wow. Well, you know, I think, that's, that's an interesting origin story. I did not know that about you. And look, you're someone who is a great communicator, which is so rare in your field. I know that you've written a lot of books, I've read many of them. I go to your webinars. Like, first of all, thank you. Like, thank you for actually taking up this mantle years ago of trying to debunk a econobabble and explain economics in everyday language for normal human beings and help us to feel like these debates – which seem like they're always where the real power lies and the real decisions are made – are not designed like...they're designed to be closed off to us, but they shouldn't be. Like, all of us should be able to participate in talking about the kind of economy we want, what it should do, what it shouldn't do.

What do you find most frustrating? Like, what do you wish you could just wave a freaking wand and get people to understand once and for all about the economy and the way that we talk about it that's maybe done?

**Richard Denniss** 05:36

Well, look, if I could click my fingers and convince 25 billion Australians of anything, it would be that economists aren't in charge of anything. And in attacking economists, they're, they're by design attacking the wrong people. Economists, economists aren't forcing elected governments to buy \$350 billion worth submarines. Economists aren't forcing this government, or the previous government, to spend a quarter of a trillion dollars on stage three tax cuts. Economists aren't forcing governments to spend \$10 billion a year subsidising fossil fuels. These are political decisions. These are raw, obvious, political decisions. The role of economists in this is to make the ridiculous seem inevitable, to justify the unjustifiable. You know, most of the economists talking about these things in public debate, haven't done any actual economic research on these things. They're just there to wear a suit and sound important, and assure the masses that even though it looks like a stinking bad idea, we must do it. We must do it for the economy. So yeah, my real frustration is that people think that economics is driving all this stuff. And don't get me wrong, there's some dodgy economics around. But economists aren't in positions of power. Economists are in positions to conceal power. The role of economic consultants, the role of economic experts, the role of, you know, the endless lineup of business people showing up on the news to tell us what the economy needs – the purpose of all that is to hide simple democratic decisions from people. Like we can collect more tax from the fossil fuel industry and spend more money on free childcare. There is nothing to stop Australia doing that, except the lack of imagination, or confidence of 25 billion Australians to call bullsh–t when someone says we can't afford it.

**Lily Spencer** 07:39

Right. Alright, so let's, let's, we're diving right into it. Let's just talk about some of these really stupid decisions. Like, can you explain to me, you know, why we are creating huge problems upstream, and then trying to spend a fraction of that downstream to solve them? And the most obvious example that I know of – and maybe you know, a better one – seems to be fossil fuels. Like why the heck, in a climate emergency, are we subsidising the fossil fuel industry? How do those subsidies even work? Like I hear about them. How are we subsidising them? Why are we subsidising? Why are we still subsidising them?

**Richard Denniss** 08:12

We're subsidising them because our elected representatives want to. Now, why they want to, we can debate that. But, let's be clear, it takes the will of the parliament to shovel our money on to the fossil fuel industry. And not just previous governments, I mean, the current Labor government is spending 1.5 billion of our dollars to subsidise the Middle Arm project up in the middle of Darwin Harbour. And that's a project which is not viable without subsidy, and it's going to process, it's going to process gas and turn it into plastics and petrochemical products. And, and the business case for the whole thing says that without the subsidy, the whole Beetaloo Basin Gas Project might not go ahead. So why, why are we doing it? Because we want to. And when I say we, I mean our elected representatives. Why, why, why is there bipartisan support for this? Well, that's a more interesting question. And I think it's because, you know, as in, as in all countries, Australia's democratic, democratically elected parliament doesn't always

replicate the desires of the public. And, you know, the environment movements been calling for a carbon tax for years. But the Rudd-Gillard Carbon Tax collected less revenue than the subsidies we were handing out. Why not? Why not start with removing...

**Lily Spencer** 09:42

Why not start with ending the subsidies?

**Richard Denniss** 09:44

Yeah, I don't know why. But, you know, that's democracy. So the people that want the subsidies are pretty determined to keep them. The people that want to stop the subsidies, you know, put myself on that list, clearly don't have the political power of those that want to keep it. But people that campaign for climate stuff, have made their own decisions to campaign for other things, rather than just take the subsidies off the big polluters. I don't know why.

**Lily Spencer** 10:11

I mean, people have compared the fossil fuel lobby in Australia to the gun lobby in America. You know, it's just, it's so powerful that anyone that takes them on too hard, too directly has their political career ended. Is it just a matter of brute power like that, just real politic?

**Richard Denniss** 10:26

No, no. And, of course, that's the mining industry spin to say that they're so powerful, you better not touch them. You know, isn't that great? Like to scare everyone that much? So, but look, in some sense, they're much better than the gun industry in the US because at least the gun industry is really visible. You know, most people don't even think about the fact that Australia's gas industry is overwhelmingly foreign-owned, pays almost no tax, employs almost no people and causes an enormous amount of climate change, and we subsidise them for them. Like at least, but at least people can see the guns in the US. Yeah, this is just real inside baseball, where we shovel our money onto those companies. Now, to be clear, Australia is a rich country, and no one's breaking the law here. If everyone's happy with this, okay, that's fine. We're allowed to waste money on crazy sh—t. But, I don't think it's what most people think is happening. And certainly to the extent it does happen, one of the justifications is that it's somehow good for the economy. Whereas economics 101, and indeed all economics, but economics 101 teaches us, you tax things you want less of, you subsidise things you want more of. So, when a government says it wants to tackle climate change, but then subsidises new fossil fuel projects, you might wonder what their real priorities are, as opposed to what their stated priorities are.

**Lily Spencer** 11:57

And I mean, that, you know, that also makes me think of the Stage Three Tax Cuts. And again, is this just, you know, they're too afraid to go back on something or give the opposition ammunition? It seems crazy, if you want to reduce inequality, it seems crazy if you don't want to add to inflation. Why...in the politicians that you know, that you work with, that you talk to, you know, you're, you're guy in Canberra, you're talking to people all the time, like, why is this? Why? Why is that happening? Are our expectations too big? Because, I think this is another thing where I look to you for guidance – when Labor get elected, their base expects so much more, they want so much more, and they get so disappointed. You know, there's, there's a few people who are quietly optimistic, and there are people

who are like, full of rage and despair right now. I don't talk to many people who are like, "yeah," cheering, you know. And partly, I think that's because our side of politics isn't very good at celebrating wins. But like, where do you stand on this? Like, are they are they Neoliberal-lite, are they just afraid? What do you think? Yeah. And we know that Dutton would try to make a meal out of it. But you know, it's like, stand for something. Yeah, look, um, speaking of inflation, you've been really clear that the Reserve Bank has not properly understood the causes of this bout of inflation that we've been experiencing. Now, we have a new head of the Reserve Bank that's going to be coming in. What...you know, so raising interest rates hasn't been very effective at curbing this bout of inflation, because that's not where the problems come from. But it has been hurting a lot of people. Are there better ideas for reducing inflation that don't cause so much misery in the lives of ordinary people? And if so, why aren't we doing them?

**Richard Denniss 12:56**

Yeah, of course there are. So about a year ago, the Australia Institute put out some research showing that most of the profits in Australia – sorry, most inflation in Australia – was caused by growth of profits, not growth of wages. Now, when we put that out, we based it on a method that had been developed by a sketchy, left wing, pinko outfit known as the European Central Bank. Oh, look, all sorts of things. I mean, the government doesn't exist. It's a it's a Prime Minister, it's a Cabinet, it's a Party Room, it's a Party, it's a movement. And some of the things they're doing a great, like Federal Corruption Commission. Boy, isn't that about time. The Australia Institute has been calling for that for over 10 years, and you know, we got one. There's nothing trivial about that whatsoever. And you know, the Robo Debt Inquiry was important, but thanks to the creation of a Federal Corruption Commission, there's a hell of a lot of other departments now that are nervous about what that might find. So, yeah, that was, that was really good policy, and I'm glad they delivered on that election promise. When it comes to the Stage Three...well, let's be clear, this was Scott Morrison's idea, made up when he was Treasurer. Even before he was Prime Minister he was Malcolm Turnbull's Treasurer when he made it up. He told us at the time, "it would easily pay for itself, the economy would be growing so fast and everything would be so good, because of years of Liberal government, don't worry about it. It's just a quarter of a trillion dollars worth of tax cuts, that goes overwhelmingly to people earning over 200,000 bucks. Well, you know, whatever." Labor went to the 2019 election thinking it was a bad idea. They went to the 2022 election thinking it was a good idea. Should they keep a promise or shouldn't they? I don't know. That's a tough question. But the the economics are quite simple. These are poorly designed tax cuts. They will literally – I'm choosing my words carefully – they will literally deliver nothing to people earning below \$45,000. Not a cent. And they will deliver \$9,000 a year to people brackets – mainly blokes – earning over \$200,000 a year. Now, is Labor allowed to, is Labor allowed to delay, is it allowed to modify that or must it implement something at exactly the time and form that it promised before – before we saw real wages fall off a cliff and interest rates go through the roof? Now, I don't know, that's not economics. Let's be clear. We're not talking about economics here. But if we do want to talk about economics, these Stage Three Tax Cuts will be inflationary. These Stage Three Tax Cuts will do nothing to help low and middle income earners cope with the cost of living crisis, right. There is no economic reason for them. But if the political reason is we have to keep all our promises, we have to, we have to, we have to. Well, I just point out the government's just reneged on a promise on tax transparency. The government had committed to, to a form of tax transparency to force multinational companies to spell out exactly what they did here in Australia, and they just reneged on that promise. So I love it when

people tell me that every promise is sacrosanct, and you can't possibly break one, because they just broke one, and it was about tax. But, to be clear, this is not a debate about economics. Right? This is a debate about, you know, voters, and the Australia Institute's polled voters and said, "would you prefer the government to put the needs of the economy first? Or would you prefer them to keep all the promises?" And most people actually said, "put the economy first." So, it's not clear that voters are waiting with baseball bats if they've delay or modify Sage Three.

**Lily Spencer** 17:32

Oh yeah, heard of them.

**Richard Denniss** 17:33

We literally...yeah, you know...like really kind of just deep conspiracy theory land people, the European Central Bank. So we literally took the method that they were using to break down the causes of inflation in Europe, and we applied it to Australia. And what it showed was that profits were driving inflation. And, we put that research out. And, you know, some people loved it, some people hated it. But what's interesting is that our our machinery of state, our Reserve Bank, and Treasury – we know this from FOI requests – took a very close look at our research, and concluded that it was flawed, misleading, and really have no value whatsoever. Now, as luck would have it, the Financial Review FOled these reports, and ran a front page story saying our research was silly, even ran calls for us to withdraw and retract our research because it was so silly. And then the OECD put out some research on Australia, showing exactly what we said. And then the Europe...the UK Central Bank used the same method. And then the US Federal Reserve has been using the same method. So unfortunately, here in Australia, the two organisations most responsible for policy development in relation inflation – the Reserve Bank and Treasury – rather than looking at the data, rather than looking at methods being used around the world to understand that data, just went full defence, and just said, "there is no choice." And this is the real power of economics, it's to tell people that their good ideas are actually stupid, and "just sit up straight and listen to what your betters tell you." The Reserve Bank and Treasury told everybody "pull your heads in, we know how to control inflation. We're the experts on this. And we just have to load up people with mortgages and HECS debts with big interest payments. And, you know, take one for the team, take it on the chin. Sucks to be you." When, when that's not what economics says. It's not, there's no book you can pick up that says, "what does economics say?" Right, and some person at Treasury is the only one that knows the page number. You know, so unfortunately, we've, our machinery of state, our Treasury and our Reserve Bank have been willfully blind to alternatives. And to give you some simple examples, like Consumer Price Index – the CPI – that measures the price of stuff, the Reserve Bank's worried the Consumer Price Index has been rising really fast. So imagine if we stopped subsidising the gas industry, and I don't know, maybe taxed it a bit, and then did something crazy, like made childcare for it? Would that reduce the Consumer Price Index? Well, yes. Because guess what, childcare is in the Consumer Price Index. What if we made, what if we got rid of the Coalition Government's increase to university fees, if we made university fees cheaper? Would that reduce the Consumer Price Index? Oh, oh, yes, it would. If we made universities free the way it is in Norway? Might, might we be able to lower the Consumer Price Index quite a lot? Well, yes, we could.

**Lily Spencer** 20:57



I love that example, because it's always touted as this heyday, you know, back in the idyllic time, before yonder, before neoliberalism took over the world, we had free university education in Australia. But we could never have it again. Like it's talked about in mythical terms. As is Scandinavia, like the thing sthey're able to do, it's like, it's not a real place. It's like, they're people flying around in little wings and riding unicorns. Like, why are we so willing to learn from countries like the US? But when it looks like maybe the Nordic countries have some good ideas, "we go, oh but that would never work here." Like, why are we so quick to...what is an idea that you would love us to adopt from – I mean, I'm jumping around a little bit here, and please keep going if you want to keep talking about inflation – but I'm keen to, to get into some of the solutions. Some of the ideas that we willfully ignore, or that just need to be, you know, moved along on the Overton Window a little bit. Like, how, how do we start to shift some of these things. You're Treasurer, or you've got the ear of the Treasurer for a day, what do you want to see happen?

**Richard Denniss 21:54**

Well, look I'll answer that. But, the first thing we need to do is actually own the fact that when we hear a politician say "we can't afford that," what they're telling us is, "I don't want to do that." Right? And we, the collective, we need to grow up and own the pain, that the Treasurer or the Health Minister or the Education Minister, when they smile, and tell, tell us how they want to do everything they can to help us. But quote, "we just can't afford that." That what they're actually looking us in the eye and doing is lying. And saying, "I don't want to do that, as much as I want the Stage Three Tax Cuts. I don't want to have free childcare as much as I want to subsidise the fossil fuel industry. I don't want to have free education as much as I want the AUKUS submarines." So it's actually comforting for us, the listener, it's comforting to believe that these ministers and other important people are deeply on our side, deeply, deeply on our side and share our passion and our vision and our priorities. It's just that they can't afford it, when what they mean to say is they would prefer to spend money on other things. Now that's fine. That's democracy. We have to make these choices. They are hard. We're one of the richest countries in the world, we can afford to do anything we want. But we can't afford to do everything we want. So if we want to spend 300 billion on subs, and we want to spend 250 billion on tax cuts, and we want to spend 10 billion a year on fossil fuel subsidies, then you know what, we won't be able to have the nice things they have in Norway and Sweden and France and Denmark and Germany. It's not mythical to have free higher education. Not only does Germany give free higher education to all the Germans, it gives it to any refugees who happen to be there. So it's, you know, it's actually just comforting for people to believe that, "oh, if only Australia's economy grew a bit more, maybe then we could afford some nice things." Now, you asked me what nice things I'd like, well, there's nice things I'd like but you know, it's a democracy. All of our nice things are important. And then we just need to have an honest debate about priorities. The reason the Australia Institute has a Nordic Study Centre is precisely to help show people that other people can afford nice things. I mean, let me, let me sum it up for you. In Norway, they tax their fossil fuel industry and give young people free education. In Australia, we subsidise our fossil fuel industry and charge young people a lot of money to go to uni. That's why politics matters. That's why democracy matters. And Neoliberalism's greatest legacy is to convince people that we don't have those choices. It's to convince people that politics is boring. It's to convince people that governments can't help people live their lives better. And if we all have low enough expectations, then it's easy for them to get away with shovelling money onto the fossil fuel industry. Instead of, you know, people with malnutrition in aged care homes, or young people paying a fortune for their for their higher education.

So what would I do? Well, I'm pretty boring, I would do what I always tend to do, I'd focus on all the ways we can collect a sh–t-tonne, more revenue. And I'd start with getting rid of fossil fuel subsidies. And I'd start with scrapping the Stage Three Tax Cuts. And I would introduce new resource rent taxes on our minerals industry, the way that other countries do. And then I would say to you and everyone else, "you're welcome. There's a lazy 100 million dollars. \$100 million. What do you want to do with it?" Right? Cause I'm, I'm okay. Like, you know, I'm doing...I just like, I just like a nice sandwich for lunch, you know, and a bit of peace and quiet. But, but I, you know, it's a democracy. I'll help people deliver the revenue. Your kids sort out what you want to spend it on. But if you, if you don't, we will keep subsidising the fossil fuel industry, we'll keep subsidising private schools, we'll keep subsidising private hospitals, we'll keep subsidising retirement incomes of millionaires, right? It's a great place to be rich – Australia – it is a fantastic country to be rich in. And if we want to change things we could, or we could, you know, we could sit there and nod earnestly when when people tell us we can't afford nice things.

**Lily Spencer 27:07**

I have to ask you this because there's going to be at least one person – at least – who will email me after this conversation and go, "but federal taxes don't pay for things. We have a sovereign currency, we don't need to collect taxes to pay for things on a federal government level. And until everybody in the progressive movement understands is we're never gonna get the change we need."

**Richard Denniss 27:29**

Yeah, they're right and they're wrong. They are absolutely right, that governments don't need to accumulate a stockpile of cash before they can go and buy some nice things. There is literally no reason for the government to need to hoard up some literal currency before it can go out and make a payment. And that's, you know, that's an observation of Modern Monetary Theory that's important. And really, I don't know anyone, I don't know anyone with an economics degree that would disagree with that. So that analysis is spot on, as far as it goes. So to repeat and for the avoidance of any doubt – does a government need to accumulate cash from a tax before it can go and buy some things? No, it does not. Fact one. Fact two, if we want to double the size of Australia's public sector, if we want to have a federal public sector that looks something like Norway or Sweden's, if we want to pay teachers, more nurses more, invest more in renewable energy, invest more in public transport, if – and that's a big if – if we want to enormously grow the size of the public sector over the next 20 years, we will need to collect a lot more tax from citizens and companies, not because we need to accumulate some some money in a vault somewhere. But because if the government embarked on the massive spending project I just described, and the private sector kept spending at exactly the same rate it currently is, we would wind up with enormous inflation, because the government would literally just be competing with the private sector for all the scarce resources. So the purpose of tax is not to fund a stockpile of dollar coins that can be used. The purpose of tax is to literally make room in the economy by saying "okay, all the people about to get Stage Three Tax Cuts, you're going to have to spend less money on getting your dog your a hair cut, on the equestrian centre for your kids private school, right? We're gonna need to spend less of our scarce resources on things that rich people like. And we're going to transfer those resources, the physical resources – the people, the land, the capital – into the provision of the things I just described. So, it's actually wrong for people to say that Modern Monetary Theory says we don't have to worry about tax. And if people don't believe me, well A go and learn Modern Monetary Theory. The lay people like to tell me to. But B, go check out the webinar, I did with Stephanie Kelton. You



know, the probably the most famous, most famous exponent of Modern Monetary Theory in the world. I did a webinar with Stephanie Kelton a few years ago, specifically to address this issue. And I specifically said, "but Stephanie, people tell me, Richard, why are you worried about tax," and she laughed and said, "tax is really important." So MMT is right – you don't need to collect \$1 of tax before the federal government can go spend the dollar on things. But it's wrong – and it's not Modern Monetary Theory – to suggest that if you want to have a much bigger public sector, you don't have to collect a lot more tax. You do.

**Lily Spencer 31:15**

Thank you for clearing that up for me. That has been very, very helpful, and I will link to that webinar. And look, I want to send people to more of your work. And if they don't already follow you, if they don't already know that they can go to webinars that you're speaking on, on a pretty regular basis. Where do they need to go to go and hear more from you?

**Richard Denniss 31:35**

Yeah, we're easy to find. So it's not just me...the, the Australia Institute, we're based in Canberra, but we're spread out around the country. We've got a team of great economists and other researchers and, and social media and other people who work there. People might know Greg Jericho, who writes for the Guardian, Matt Grudnoff, one of our senior economists, David Richardson, senior economist – we've got lots of good economists working at the Australia Institute. Well follow us on Twitter, follow us on Facebook. We do regular webinars and events, but people would have to sign up on our website to say, "you know, keep me, keep me posted." We don't want to spam people. But yeah, look, it's...and also we just kind of pump out a lot of real time commentary and analysis in, in video, we have a podcast series. Yeah, look, you know, there's no doubt what we do is easily accessible, and a lot of people like it, but where people get a bit tired – and it'd be great if more people engaged with it and shared it. But the real trick is not just to know, the things that we're saying. It's to believe them and act on them. It's to write to your Member of Parliament and say, "don't tell me you can afford to do this, but you can't afford to do that. You know, make our representatives own their priorities. And, and to be clear, I don't mind that politicians disagree with me, they've got a tough job. Right? And there is no right answer. But what really bugs me is, is people using my profession, economics, to hide their democratic preferences to hide their priorities. And worst of all, to make people feel insecure and uncertain, such that they're not willing to, you know, ask me the kind of great questions you asked today. Because in Australia, we've made people feel silly for not understanding economics, rather than make people angry that, how ridiculous that we'd be investing so much money in submarines, while pretending we can't afford to tackle climate change. How could that be?

**Lily Spencer 33:48**

Yeah. Yeah. Look, thank you, you know, you've been absolutely brilliant. I really encourage everyone to take up your advice, and to not only become...you know, you equip people with confidence, you know, I think that is one of your real gifts is you give us the confidence to go, "oh, yeah, I thought that was dumb. And now an economist says it's dumb. And I know that I've just actually buying into something that I don't need to buy into. And I can make that voice heard." And create the space for those people inside party politics to push harder, to advocate stronger to stand up in the Party Room and say, "I'm hearing from my constituents, and they want this, and they're not happy about that." I just want to, just

as we're ending here, what inspires you that you would recommend people go and read or check out? Like, who do you go to? And I know you've got a great team around you, and everyone please definitely check out the Australia Institute, but like, is there any other recommendation that you would just like to leave us with for people who want to kind of learn more?

**Richard Denniss** 34:47

Oh, I actually draw most of my inspiration from the individuals and organisations that are actually out there fighting to do something good. And I think I might be able to help them, they look like someone's bullsh—tting them. They look like someone's lying to them. And, you know, it's their bravery, it's their effort, it's their imagination that inspires me. I mean, you know, to give you a small example – years ago, the Small Progress Association, in Warkworth was trying to stop an enormous coal mine being built by Rio Tinto. Rio Tinto said it would create 1000s of jobs. I knew that was bullsht. So we did some work and literally proved in court that it wouldn't create any jobs. I wouldn't have done that work, my inspiration was this Progress Association, you know, trying to look after themselves. So, so that's where it...so I guess I'd say to everyone, just be aware, pay attention to what's happening around you. Intellectually, I stand on the shoulders of giants. But my, my favourite economists would be Joan Robinson, a very famous English economist. And JK Galbraith, a very famous American economist. And of course, Joe Stiglitz, who, who just keeps writing about tax and inequality, and does such important work, reminding people of the sort of things I've tried to talk about today. But yeah no, my actual inspiration comes from the fact that I know enough about economics to know that we have all the economic tools to solve the problems we want to solve, like, we don't need – I hate to say this, this will disappoint some of your listeners – we don't need new economics, to tackle most of these problems. We just need less bullsh—t. And that's not meant to sound defensive of my profession, it could always improve. But anyone that thinks that we're causing climate change, because economists don't know how to tackle it – well, we do. I told you at the beginning, you know, your tax things, you want less of your subsidise things you want more of, you know, we can refine the economics all we want, but we are ignoring the fundamental tenants. So, so yeah, my inspiration is the problems and the people working on it.

**Lily Spencer** 37:07

I love that answer. And thank you so much. I'm gonna be unfair now, because you've made me think of one final question I'm going to kick myself by don't ask you. And that is growth. Because I think that's one place where people listening to this would go, "but you economists are always banging on about how we need growth. And if we don't have growth, the world's gonna end and now the world's ending because we have too much economic growth and restraining our resources and passing planetary boundaries." Do economists believe that we need to keep growing the economy forever or the world's going to fall apart? Or is that just what we've been told?

**Richard Denniss** 37:34

Nope. Just like economists tell you, if we need to cut taxes for rich people, and just like economists tell you we need to cut wages for poor people. And just like economists, so you have to subsidise the fossil fuel industry to help the transition away from fossil fuels. Sure, there's some economists that are obsessed with economic growth. But, literally, the economists that invented GDP – Gross Domestic Product – the ones that invented it stuck a warning sticker on it: "don't use this as a measure of

wellbeing. It's not, it's a really good indicator of how much stuff we bought and sold last year. Please, please, please don't use this as a measure of wellbeing. Please, please don't do that." It's not economics. And, and similarly, you know, just to be clear, if we expanded the education system and health system and renewable energy and public transport, you know what would happen? Lots of economic growth. And I'd be fine with that. Right? Because that's not because I care about how much growth we have. I want to grow the things that are good. I want to shrink the things that are small. You know, if you pay your neighbour 50 bucks to give you a massage, and they pay you 50 bucks to give them a massage, you just contributed 100 bucks to GDP, and you didn't harm anybody. Right? So some economic growth is really bad. And some economic growth is really good. And it's actually bizarre for, for people to say, "economists and politicians are obsessed with economic growth. So I wanted to find success by not having economic growth." It's like, "you're just as obsessed as them." Right? Economic growth should just be back in the background. It's, it's something we measure. It's...it shouldn't be our goal. I would argue it's not our goal. But people pretend it's our goal when they want to get their coal mine built. If we really wanted to increase economic growth, and I don't think we do, we'd make childcare free and help a lot more women into the labour market. That'd be great for economic growth, but conservatives hate the idea. Right? So you flatter them unfairly when you say that they're obsessed with economic growth. They're obsessed with spending money on things they like, and punching their enemies, and they're just smart enough to create a veneer, to create an excuse that, "says subsidising my friends is good for the economy, and therefore it will help you. Subsidising your friends would be bad for the economy, and that would hurt other people."

**Lily Spencer** 40:11

Oh **we're** getting smater at that too. Thank you so much. Just, you know, honestly, I could just quote you all day and I frequently do, so thank you for giving all of us the pleasure of your company, and your wisdom, and your humour and just your ability to cut through the bullsh-t. We really do value you. **And my rage. Thanks for having** me.

**Richard Denniss** 40:26

**We** look forward to having you back again some other time. Take care and we will talk to you next time.

**Lily Spencer** 40:51

Thanks for listening to the reMAKERS. I'm the host, Lily Spencer, and I record my part of these conversations from the beautiful Gubbi Gubbi country on the Sunshine Coast of Queensland. Just want to honour the incredible elders of these lands and waters. An Aboriginal culture 60,000 years is the oldest continuing civilisation on earth. I also want to pay a shout out to our producer Anna Wilson, to my colleague and sometimes co host Dr. Millie Rooney. You can learn more about Australia reMADE and everything we're about over on [AustraliareMADE.org](https://australiareMADE.org) And in the meantime, thank you for sharing. Thank you for listening and subscribing, sending us your thoughts. We really appreciate all the support that you give the podcast. We'll see you next time, over on the reMAKERS.