

Mannkal's Musings*

Editor: Genevieve Mitchell

MANNKAL FOUNDATION'S
HALF-YEARLY REVIEW

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*n. mus-ings A product of contemplation; a thought

Events in 2014

It has been a fantastic year for events at Mannkal, with more still to come! Our monthly newsletter, *e-Focus*, is the best way to keep up to date on events and to receive the latest information about Mannkal's Scholarships. Visit: <http://mannkal.org/subscribe.php> to subscribe.

Economic Freedom of the
World Index

Future Leaders Forum

Mont Pelerin Society

General Meeting...

and much more!

Mannkal's Ambassadors

Mannkal was established to promote a greater understanding of the concepts that underpin free societies and its purpose remains to safeguard Australia's free and competitive future. Over 600 young Western Australian students have received Mannkal scholarships and we believe that our State and country will benefit greatly from the opportunity given to these students to understand and appreciate free market thinking and philosophy.

Unfortunately, certain vital operational expenses (events and communications) are not permitted under the tight Private Ancillary Fund guidelines as set out by the Australian Tax Office. We seek Mannkal Ambassadors who will donate \$1,000 per year towards covering these costs so that Mannkal can continue to grow its student programme by organizing related events.

Ambassadors will be invited to all Mannkal events and have the opportunity to meet with, and hear from, young Western Australian students on how they have benefited from Mannkal scholarships and support.

Mannkal Ambassadors will be rewarded by seeing young men and women, imbued with free market understanding, go on to take important leadership roles right across the fabric of Australian society.

Mannkal acknowledges and thanks its Ambassadors:

Mr Colin Agnew

Ms Juel Briggs

Mr Ross Cable

Mr Dinny Grimwood

Mr Jonathon Huston

Ms Shirley In't Veld

Mr Jim Keogh

Mr Dick Lester

Mr Russell Lester

Mr Geoff McNeil

Mr Willy Packer

Mr David Reed

Mrs Gina Rinehart

Mr Maurice Rousset

Mr Peter Sansom

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Riyad Hammad (Dubai)

Brad Walmsley (Geneva)

Sarah Basden (London)

Yuliya Kocherhan (Ukraine)

Emma Crisp (London)

Chairman's Report

Getting specific about what Mannkal Foundation is all about

Recently a young man sent me an email, "Hey Ron, we met at a networking function in Subiaco last year, where you were a speaker. I admire your political–business philosophy and I was wondering why you started Mannkal? Was it to get young people involved in politics?"

My answer was... "Not at all (quite the opposite). It is to give young people more confidence in themselves so they don't rely on governments for their future."

This highlights the importance of clear thinking about what each of us strives to achieve.

In our case Mannkal is in the business of 'ideas', and to encourage the next generation to realize the significance of ideas. Throughout history humans usually strive to use ideas to improve their circumstances. Good ideas allow them to do so, through mutually beneficial exchanges. Bad ideas lead to disastrous outcomes (and there are several current examples on the international front to demonstrate this point).

This young man's question—about why I established Mannkal Foundation some 17 years ago—came around the same time that our excellent Board of Trustees asked me to refine, in writing, my 'Donor Intent' as a guideline as I progress down the path of handing over to younger and more energetic hands to continue Mannkal's work. The same Mannkal Board has suggested that I share this Donor Intent document with our many valued supporters, Advisory Council and Ambassador Circle so it is included in this edition of *Musings* on page 19. No doubt this document will be refined and hopefully edited by at least 50 per cent, but I look forward to constructive comments to assist in such editing.



Handing over

With this edition of Mannkal's Musings it is my great pleasure to introduce our new CEO, Paul McCarthy. Paul was introduced to Mannkal, some ten years ago, when as a Mannkal scholar he attended the Centre for Independent Studies "Liberty & Society Conference" in Sydney. He has maintained contact with Mannkal over these ten years as he has progressed with his own career within the energy industry, here in Australia, in the United Kingdom and more recently as Principal Advisor for the Hon. Dr Mike Nahan, State Treasurer; Minister for Energy; Citizenship and Multicultural Interests.

Paul has been a Director of the Mannkal Foundation for the past 18 months and now, as CEO, he and our great Mannkal team take on the task of enhancing our Mannkal student experience and doubling the numbers of our outgoing students being selected for interesting and instructive opportunities in Australia and overseas.

We look forward to the continued support of so many people who have travelled with us on this 17-year journey.

Ron Manners,
Chairman

What's New at the Mannkal Office?

The Mannkal team has been busy as ever, creating new opportunities for Mannkal's ever-expanding scholarship base. Mannkal is pleased to welcome Paul McCarthy who has stepped in to the role of CEO, bringing with him a whole range of ideas to support Mannkal's continuing growth. Penny Bond has joined the team as Mannkal's Publications Assistant and Ashley Klingenberg has assumed the position of Mannkal's Media man. What are the plans of Mannkal's new and improved team for the future? The possibilities are endless!

CEO's Report

It has been an exciting first half of the year for Mannkal and the second half of the year is set to get even better.

The year started with a successful Year Ahead Event where we heard recent Mannkal scholars recount their experiences in London, Melbourne, Los Angeles, Hong Kong, Wellington, Alberta, Halifax, Vancouver and Washington DC. They were a very impressive group indeed, who clearly gained a great deal from their internships. We recently held the 2014 Freedom to Choose Conference in conjunction with Notre Dame University which featured a stellar lineup of speakers led by Professor Geoffrey Blainey and the Future Leaders Forum with former Premier Richard Court, while our affiliates in the Freedom and Prosperity Club hosted a number of events on topics from industrial relations to climate change to indigenous reconciliation.

Our biggest event for the year will be the launch of the Fraser Institute's Economic Freedom Index on 30 October, to be launched in Perth due to WA being judged the most economically free State in Australia (again!) We are also looking forward to sending students to Hong Kong, Sydney, New York and Canada in the coming months.

It is a privilege to take on the role of CEO at Mannkal and represents a "full circle" for me. I was a Mannkal scholar in 2004, which helped me develop a career in the energy industry. Having worked in the UK for a time and having returned to settle in Perth, I am excited to have the opportunity to help the current generation of students learn about liberty and economics and get their careers off to a flying start. Mannkal's growth over the last 17 years has been phenomenal with over 650 scholarship alumni and a name that is recognised in business and government throughout Perth. It is my challenge to take that success to the next level, with a target of 105 scholarships in the year ahead. I am excited to see how the next group of scholars learn and grow from their experiences and look forward to reporting on their successes in our next *Musings* review.



Paul McCarthy
CEO



An Unsung Hero Behind One of the Freest Cities in the World

Former US President Ronald Reagan famously declared in his inauguration address, "Government is not the solution to our problems... Government is the problem" and exhorted his aides, "Don't just do something – stand there!" The story of the American economic recovery under President Reagan is well chronicled. Less known is the story of how an equally zealous adoption of the principle of economic non-interventionism by Sir John James Cowperthwaite, a Scottish civil servant and Financial Secretary for Hong Kong in the 1960s, allowed Hong Kong to flourish and become the economic powerhouse it is today.

In 1960, the average resident of Hong Kong was less than one-third as wealthy as a typical citizen of the UK and the colony was considered a poor fishing village, roughly on an economic par with Mexico, Suriname and Jamaica. Yet by the mid-1990s income per capita in Hong Kong was more than 25% higher than in Britain. If Hong Kong's spectacular rise can be traced back to one event, it would be Cowperthwaite's appointment as Financial Secretary.

Cowperthwaite's instinct was that wealth was created by individuals and could only be impeded by government. Taking his cues from the failing socialist experiments in his native United Kingdom, he sought to avoid the heavy hand

of dirigisme by cutting off its blood supply: the collection of statistics deemed so vital by the central planners half a world away in Whitehall. Believing that statistics would invite bureaucrats to diagnose perceived problems and present destructive "solutions", Cowperthwaite simply refused to collate data, let alone send it to Britain. He even famously refused to meet a Commissioner sent by the British Government to pressure him to change his approach, sending the envoy back to Britain on the first available flight.

Cowperthwaite's aversion to central planning was not limited to statistics, however. He insisted that the rate of tax not be allowed to rise above 15% for both personal and



company income and avoided both tariffs and subsidies. His first Budget speech in 1961 set the tone: "In the long run, the aggregate of decisions of individual businessmen, exercising individual judgment in a free economy, even if often mistaken, is less likely to do harm than the centralised decisions of a government, and certainly the harm is likely to be counteracted faster."

Under Cowperthwaite's reign, Hong Kong flourished and by the time he left his post in 1972 the results were clear: a city with no natural resources other than a port had defied the economic thinking of the age and become rich by fostering free trade, keeping taxes low, avoiding subsidies and tariffs and encouraging private investment instead of government expenditure. Nobel Prize Laureate, Milton Friedman, later said, "It would be hard to overestimate the debt Hong Kong owes to Cowperthwaite." Not only did his efforts benefit

Hong Kong, but they set an example that others followed. Margaret Thatcher's free-market resolve was steered by the knowledge that her approach had already succeeded in Hong Kong, while in nearby China, Deng Xiaoping and the Communist Party were convinced in part by Hong Kong's success that socialism was an economic dead-end. Cowperthwaite's work and principles live on, not only in Hong Kong which remains one of the world's most vibrant commercial centres but in countries around the world that aspire to emulate its success.



Paul McCarthy
CEO

Where Are They Now?

Have you ever wondered where Mannkal's scholars end up? What adventures do they undertake after their Mannkal scholarships? Travelling the world, working for prestigious firms, becoming political leaders, fighting for justice in the Australian legal system and pursuing libertarian ideals are just a few of our scholars' conquests.

Jessica Pental



After finishing university and my time as a Mannkal employee, I bought a one-way ticket to London, knowing I had two weeks' accommodation and ten or so personal and professional contacts to follow up. Luck, timing (and my charming persona?) saw me begin work as a mining equity analyst at a boutique investment bank within a few months. I stayed with that firm for the next two-and-a-half years and in that time visited almost every continent, with countries including Sierra Leone, Peru and Papua New Guinea. It was then

time to take the next step in my career, deciding I wanted to move into a larger organisation where I could focus on mining transactions. Whilst I hadn't purposely decided to come home, a unique opportunity was presented to me to join the Mergers and Acquisitions team at EY in Perth. I've now been at EY for three months and am enjoying the exposure that an international firm can provide. The role is quite entrepreneurial, which suits me well, but it also allows me to get involved in the specifics of a deal. I have, of course, continued to be involved with Mannkal and am looking forward to seeing where the next year will take us.

Andrew Pickford



After moving to Quebec in late 2013, I continued my association with Mannkal assisting to expand internship opportunities in Canada. I am currently putting together a programme for Mannkal interns to visit Ottawa when they finish their internships. In the meantime, I work on energy, provincial-federal relations and highlighting the problems with government-led "mega-projects". This has involved activities in Montreal, Calgary and Ottawa. Given the commonalities between Australia and Canada, many of the policy challenges and issues are similar. One particular project that I am focusing on is looking for ways in which Australia and Canada can collaborate to protect their energy export sectors from populist or

ill-thought-out government actions or restrictive international agreements.

Aside from these interesting public policy activities, I am struggling to learn French and adapt to local customs and cultures. Despite numerous debates and discussions with bureaucrats and other locals I have not been able to convince the Québécois about the importance of property rights and the common law. Like the drafters of the US Declaration of Independence, I feel that the Quebec Act of 1774 was a betrayal of freedom-loving English speakers everywhere. While fighting the good fight, I am based in the Laurentians in a town called Mont-Tremblant with my French-Canadian wife, enjoying the sunshine after one of the coldest winters on record which included the occasional polar vortex.

Mannkal's Advisory Council

Mannkal's Advisory Council comprises an array of the brightest minds situated around the globe. Many Advisory Council members are former Mannkal scholars who have used the lessons gained from their scholarship experiences to build successful and fulfilling careers. Specialising in areas including acting, finance, business, law and policy, Mannkal's Advisory Council members represent an intellectually diverse collection of individuals. For short biographies of each of our Advisory Council members, please see Volume 7 of *Musings*.



Sarah Basden (London)



Riyad Hammad (Dubai)



Luke McGrath (USA)



Hannah Berdal (Vienna)



Felicity Karageorge (Sydney)



Jessica Pental (Perth)



Naomi Brockwell (USA)



Ashley Klingenberg (Perth)



Andrew Pickford (Canada)



Emma Crisp (London)



Yuliya Kocherhan (Ukraine)



Brad Walmsley (Geneva)

Where Can a Mannkal Scholarship Take You?

Asia-Pacific



Hong Kong

December 2014 – January 2015

The LRI Internship provides a student with the opportunity to learn about the workings of the most economically free country in the world. This internship involves work on short policy and 'op-ed' style pieces, while also assisting senior members of the Lion Rock team to develop their quarterly publication.



Wellington, New Zealand
January 2015

The NZ Initiative aims to promote sound public policy through a competitive, open and dynamic economy. This internship involves gaining experience in providing office assistance, while undertaking research and event organising tasks.



Melbourne
January 2015

The IPA is dedicated to strengthening the foundations of economic and political freedom in Australia through the preservation of libertarian values. This internship involves assisting with research and administration tasks.

North America

All North American Scholars are offered the opportunity to attend Washington D.C. for the Students for Liberty Conference.



Washington, DC, USA
January – February 2015

This unique scholarship provides an independent student with the opportunity to attend a range of events, seminars and briefing sessions run by Atlas Network and CATO institute. There are also travel opportunities around and outside Washington DC.



Vancouver, Canada
January – February 2015

The Fraser Institute focuses on publishing peer-reviewed research into public policy. This internship offers a scholar the opportunity to assist with studies in mining, resources and energy policy in a structured and supportive setting.



Winnipeg, Canada
January – February 2015

The Frontier Centre is one of Canada's fastest growing think-tanks. The successful applicant will have the opportunity to attend Frontier events, and conduct policy work in the areas of economic and environmental policy, with a strong focus on energy and resources.



Nova Scotia, Canada
January 2015

AIMS focuses on issues such as health, education, equalisation and energy across the Atlantic Canadian region. This internship offers a scholar the opportunity to assist in organising events and to broaden their research skills.

Europe



Westminster, London, UK
January 2015

The IEA is an original and iconic British think-tank. The successful candidate will be expected to provide office and research support, including drafting speeches and researching articles. This is an excellent opportunity for a student to experience life in London while working in a team environment.

Mannkal Scholars

The Fraser Institute

Report by Josh Allsop



The Fraser Institute is an independent, non-partisan research and educational organisation based in Vancouver, Canada. Since the think-tank's 1974 inception, the Fraser Institute has been providing an extensive catalogue of publications which analyse and critique public policy, with an emphasis on choice, markets and responsibility.

I have been selected to attend the Institute for just over a month to research a variety of topics under the guidance of Dr Kenneth Green, Senior Director, Natural Resource Policy Studies. Ken specialises in "public policy relating to climate change and energy" and leads the mining policy research team at the Institute.

Josh's First Week at Fraser

My first week with the Institute has flown by. The team is a fantastically talented bunch with regular lively debate surrounding anything from freedom of speech to the elasticity of pay increases and leisure time. Everyone has been very welcoming and we have been meeting up after work for different activities including running up the Grouse Grind (that really shook off the jetlag). The majority of my research this week has been around the issues of Aboriginal rights, new mining grants and the British Columbia mining policy changes. It certainly has been a busy week.

More than 12 per cent of Canada's economic output is directly generated by resource development (i.e. energy, forestry, and mining). These industries are leading sources of stable, high-paying jobs and unless regulatory uncertainties can be mitigated by purposeful government action, Canada's economic future looks bleak. A recent decision by the Supreme Court known as the *Grassy Narrows* case has highlighted the issue of the First Nations rights over minerals and resources. This case allows the

Aboriginal community to have a final decision over the use of land and its minerals but requires a period of consultation and the decision can be overruled when deemed necessary. The question I will be asking here is if Canada is following Australia's poor management of land rights. For example, the *Mabo v Queensland (No 2)* was similar to this case in that the rights were recognised but could be extinguished with the correct application process.



This research also ties into another topic I will be writing on: the age-old resources "curse" (Dutch Disease) debate. Contrary to the original theory, the updated theory proves that the curse is not in effect in most sovereign nations. Looking at recent growth across countries, the Swiss economist Brunnenschweiler has found that, in countries with greater resources, wealth actually grew faster between 1970 and 2000 than in resource-poor countries. So with this model in mind and applying the new theory I have been modelling the mining growth in British Columbia (all in my first week).

Safe to say I have been thoroughly enjoying the week and I'm still astounded I get to research these great topics in work time. I am consistently reminded of how fantastic the weather is this time of the year and what the best things are to do. This weekend I will be heading out to the mountains for hikes and making the most of the weather.



The History of Economic Thought Society of Australia (HETSA)

Report by Grace Chapple



In a weekend full of unique presentations from the members of HETSA, I found the presentation made by the youngest speaker of the conference, Claire Wright, a PhD student at the University of Wollongong, particularly engaging. Claire presented on "The Economics Intellectual Networks

in Interwar Vienna", a paper that explores the intellectual network of 1920s Vienna, and the collaborative knowledge creation that came from this.

In her speech, Claire asserted that certain social and institutional factors of the time produced an academic culture that was exiled to the drawing rooms and clubs of Viennese intellectuals. The main reason given for this was the bias with which the University of Vienna appointed its Economics chairs, preferring those academics from the established German school rather than the newer Austrian school. The interwar period was also coloured by anti-Semitic tensions, which saw favourable candidates Mises and Strigl overlooked by the University. Claire reasoned that because of this, ideas and discussion became the domain of informal gatherings outside of the traditional university setting.

The limited nature of professional opportunities for economists at the University during this time led to a culture of small discussion seminars and gatherings, which Claire suggested brought out a distinctly social element in their research. It also brought about an interdisciplinary approach to economics, since without the imposed walls that had existed between university

faculties there was a cross-fertilisation of ideas across economics, mathematics and philosophy. Claire illustrated these relationships using a Social Network Analysis, which visually demonstrated all the evidence of the meetings between the individual intellectuals, and placed emphasis on the more significant relationships over casual interactions.



It was described as one of the last "flowerings" of the Austrian school, as nearly all of the intellectuals in Claire's presentation left Vienna as World War II approached. However, Claire spoke of the school of thought as spreading rather than dissolving, since Austrian economists continued to work and develop ideas in the important economic institutions around the world. I enjoyed this presentation because I think it emphasised the need in society for forums of discussion, and it was interesting to learn that when denied access to such a forum, these intellectuals simply started their own. I found that it captured the overall flavour of the weekend very nicely.



Elena Douglas and Vasili Hatzis



Claire Wright and Grace Chapple

Centre for Independent Studies

Report by Tom Camp



My time at the Centre for Independent Studies (CIS) was an exceptional learning curve. Spending a month in a bustling city like Sydney was incredibly fun, and it provided me an insight into a life far removed from the strong family and social ties that I hold in Perth.

I also discovered a great deal about Libertarianism and the vast range of beliefs that people under that umbrella can hold. This posed an interesting question. If a think-tank brings like-minded people together, why did I witness such a divergence of ideas?

Returning to Perth and speaking with Ron Manners, he made the answer obvious. Ron said his hopes were not of indoctrinating young minds to one way of thinking; he wanted the experience to enable us to make up our own minds. Similarly, the CIS is an organisation that encourages independent thought. In the best libertarian fashion the Mannkal scholarships are programmes that empower the individual to control his or her way of thinking.

At the CIS I was able to write a paper on the fiscal stimulus of the Rudd/Gillard government. I was lucky enough to have the help of great minds at the CIS such as Stephen Kirchner, Robert Carling and Simon Cowan who all helped me refine the focus of my paper.

I was also introduced to just how precise and concise a person's writing needs to be in order to be published.

Being at the CIS also helped me develop a domestic network of contacts that will no doubt help in my future, an example of which being the fact that I have been told that if I can reach a high standard of scholarship



and wordsmanship then I may have the opportunity to present my work in a CIS publication.

I am incredibly thankful to Mannkal for providing me with the opportunity to experience the CIS and the opportunity to grow my own ideas and beliefs.



Students for Liberty Conference

Report by Rebecca Lawrence



It was a great pleasure to attend the Australian and New Zealand Students for Liberty's inaugural conference in Melbourne this year. There were many inspiring presenters and delegates in attendance, particularly the presenters from the Institute of Public Affairs. Simon Breheny

from the IPA was particularly outstanding, speaking on "The Importance of Youth in the Libertarian Movement", and encouraging his young audience to get their message out in any new, innovative ways that they can think of—be it via social media, on academic campuses, in the political sphere or even just in general dialogue. Simon's speech, which stood in the middle of several academically intense lectures, had a fantastic invigorating effect on the delegates in encouraging them to return to their home cities with fresh motivation to make their contribution to the liberty movement.



Chris Berg and Rebecca Lawrence

At the Conference: Topher Field's talk titled 'Communicating Liberty'

Report by Abdullahi Alim



"Let me write the songs of a nation and I care not who writes its laws."

A stark reminder that the libertarian movement is in desperate need of "cultural warriors"—a phrase originally coined by and synonymous with conservative

commentator Bill O'Reilly's bestselling book *Cultural Warrior*. This initial quote insinuates that the media discourse/landscape has more influence in setting the social agenda than political factions/groups. Therefore, for any long term progress, libertarians need to make a much wider impact in the world of creative media. We need more libertarian filmmakers, TV producers, musicians etc.

this week on the return of liberal commenter, Rosie O'Donnell, to ABC's morning chat-fest, *The View*. This is just one of many examples about how popular culture in the form of television, music and film garner far more impact and attention than traditional political strategies. It is evident that O'Donnell, a self-proclaimed leftist, will convince a huge number of voters (particularly women) on social, economic and political issues ahead of the next 2016 US election cycle. For the libertarian cause to survive over the coming century, it needs creative minds that are willing to utilise the media platform to give the public an insight into individual and economic freedom.

Current Case Study:

Conservative circles in the US have recently launched an effort to impeach President Barack Obama. In the midst of US combat in Afghanistan and growing unrest in the Middle East, political instability, in the form of ousting the *commander-in-chief* (Obama), poses huge implications. Despite the severity of this proposition, social media, blogs and talk shows alike have been relatively silent on this matter and have paid far more attention



Left to right: Abdullahi Alim, Yaël Ossowski & Rebecca Lawrence

Freedom to Choose Conference

In conjunction with the University of Notre Dame, Mannkal Economic Education Foundation hosts the Freedom to Choose Conference each year. The one-day Conference considers the degree to which policy makers should pursue free-market policies. This year, the theme of the Conference was "The Australian Sonderweg*: Between Choice, Chance and Destiny". Hosting keynote speaker Geoffrey Blainey and an array of other eminent speakers including Nick Cater and Richard Pomfret, the Conference was an overwhelming success. Mannkal awarded scholarships to Penny Bond and Lauren Tait to attend the Conference. See below to read about their experiences!

* *Sonderweg*: special path



Left to right: Ron Manners, Paul McCarthy, Geoffrey Blainey, John Hyde, John Corser, Greg Moore, Nick Cater, Richard Pomfret, William Coleman, Greg Melleuish, Peter Yule, John Nethercote, Becky Vidler, Jonathon Pincus, Robyn Tissiman, Ashley Klingenberg & Penny Bond



L to r: Conrad Karageorge, Austen Erickson, Stewart Hatch and Paul McCarthy



Callum Vidler & Rebecca Vidler



L to r: Kate Fitzgerald, Lauren Tait, Sunita Sebastian & Thiago Brandao

Professor Richard Pomfret on Australia's Sport Industry Report by Lauren Tait

Richard Pomfret, Professor of Economics at the University of Adelaide, presented a unique consideration of "The Australian Sonderweg" amidst a line-up of outstanding academics at this year's Freedom to Choose conference.

Pomfret reflected on the peculiar economics of Australia's professional sports industries, in which the non-application of competition policy, a highly regulated labour market, and extensive government subsidies are key characteristics. The tension between individuals' economic rights and public regulation in this high-profile industry are an example of a paradox inherent to the Australian way, described by Pomfret as lying in the contrast between "the self-perception of Australians as rugged individualists and the existence of an intrusive state".

A defining feature of sport in Australian culture is that high achievers are not subject to the "tall poppy syndrome,"



rather, they are publicly celebrated and admired. Despite being encouraged to excel professionally, elite sports stars are economically disempowered by highly regulated labour markets. The AFL, just one sport considered by Pomfret, imposes strict salary caps, draft rules and redistribution that in any other industry would likely be deemed an infringement on individual rights. The salary cap restricts the

aggregate amount of player payments each club can make and distorts market outcomes, while the draft is less a labour market than a rigid mechanism. Many smaller Melbourne-based clubs remain viable by mandatory financial transfers from wealthier clubs with large fan bases. These restrictions are accepted by both the players and the public as necessary for preserving the competitiveness of the league by ensuring wealthy clubs do not enjoy an advantage. It is ironic that to guarantee a competitive outcome, the industry sidesteps standard competitive practices.

Pomfret considers the role of government and finds a pattern of intervention at substantial public cost. Sports seem to be an exception to the requirement of transparency and the usual public scrutiny as spending on sports venues has come to be expected by both industry and the public, despite high industry revenues and with little consideration for the economic benefits or opportunity cost of the projects.

John Nethercote on Federalism Report by Penny Bond

I was fortunate to attend the Freedom to Choose Conference, an event hosted by Mannkal in conjunction with the University of Notre Dame. The theme of the conference was “The Australian Sonderweg”—an opportunity to appreciate the special path Australia has taken as a nation.

John Nethercote, academic at the Australian Catholic University and editor of the Samuel Griffith Society's publications, addressed the audience on the role of federalism in Australia's “sonderweg”. This brief article will discuss two items of interest, first the content of Mr Nethercote's speech, and second, a fascinating reaction to Mr Nethercote's presentation.

Federalism, Mr Nethercote's thesis proposed, is a core element of Australia's sonderweg. Australia is a federal nation, and in this sense it is distinctly different from the United Kingdom (UK), which exists as a unitary state. So distinct was Australia from the UK that the framers of the Australian constitution travelled to North America, becoming highly influenced by the writings of classical liberal theorists, the *Federalist Papers*, and the surrounding commentary. In fact, the Australian framers were so influenced by the American federal compact that in the first twenty years of case law, the High Court took much credence from American judgments.

Until the High Court decision of the *Engineers' Case* in the 1920s, the Australian High Court assumed power was reserved in the States, and thus the power of the Federal government was strictly limited. This assumption is best known as the “Reserved Powers Doctrine”, and it is central to Australia's federalist history. The 1920s' *Engineers' Case* signalled the shift from a federal perspective, in which the High Court interpreted the constitution to maintain the autonomy of the States, to a cen-

Another exception is that athletes given considerable Government financial aid for training and development are subject to no repayment requirement upon earning a certain level of income, unlike the HECS-HELP system for tertiary education.

Despite Australia's infatuation with sports and the media's extensive sports coverage, the exceptional economics behind the professional sports industry have rarely been considered. Overall the industry is one characterised by exception: exception from competition policy, exception of government expenditure from transparency and public scrutiny, and exceptional labour market regulations. Richard Pomfret's insights into these industry exceptions serve to highlight the conflict between individual rights and state paternalism that exist in Australia's sport industry, as well as reinforce this conflict inherent to Australian society.



tralist perspective, in which the Federal government was assigned greater power and State power was interpreted as limited, residual, or constrained.

After Mr Nethercote had explained the important role of federalism on Australia's sonderweg, the floor was opened to questions. One inquirer asked the speaker whether Australia should *become* a federalist nation. I must note that Mr Nethercote addressed this question diplomatically by discussing the utilitarian benefits of federalism—small central government, a legislative body that is more reflective and in tune with its electors, and the list goes on—however, I must also note the inquiry unfortunately missed the speaker's thesis entirely: Australia is and always has been a federal nation.

When considering Australia's special path it would be remiss to forget the federal compact the framers of our constitution drafted. This was a compact that promised the States autonomy and limited the power of the Commonwealth. Unfortunately, this part of Australia's history has become so forgotten that when we discuss federalism it is mentioned as if it is an idea to be imported or introduced into modern Australia. Federalism is, and always has been, a part of our history and of our sonderweg. We ought to remember that and be more vigilant in defending the declining rights of States from the ever-growing powers of the Commonwealth.

Mannkal Events



Year Ahead Event 2014

Earlier this year Mannkal hosted its annual Year Ahead Event. The event is a chance for Mannkal to celebrate its successes, set goals for the future and learn from the challenges of the past.

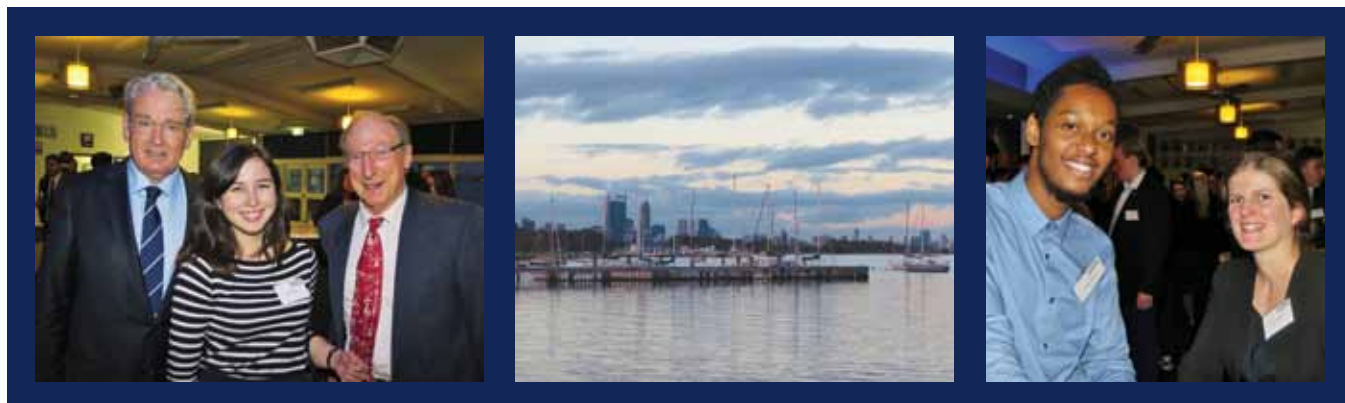
It was a fantastic evening celebrating the return of our most recent international scholars who represented Mannkal abroad over the December 2013 to February 2014 period.

Each scholar presented a short speech on their time away, sharing their triumphs and challenges. The collec-

tive experiences were all positive and stimulating, with the scholars returning excited and motivated to utilise and share everything they had learnt. Videos of these speeches can be found on the Mannkal website.

We received overwhelmingly positive feedback from the think-tanks that the scholars attended—very encouraging as the Mannkal Scholarship programme moves forward and continues to grow.

We also heard from our Chairman Ron Manners who gave us an outlook of Mannkal's plans for the coming year.



Future Leaders Forum: WA and The Global Economy—Hon. Richard Court

Mannkal, in conjunction with the Notre Dame Business Society, was pleased to host the inaugural "Future Leaders Forum: WA and The Global Economy" on 20 August 2014. The evening took place at Nedlands Yacht Club, featuring Hon. Richard Court AC as guest speaker, who is coincidentally the current patron of the Club.

The evening commenced with Mannkal's CEO Paul McCarthy introducing the audience to Tom Camp, Mannkal's first Centre for Independent Studies Scholar, who recently returned from his time in Sydney. Tom set the night off to a great start, providing an interesting and entertaining

speech. It was then time for the man of the hour to take the stage. Mr Court delivered a very informative speech, educating the audience on matters concerning equalisation, privatisation and federalism.

The event was a wonderful opportunity for past, present and future Mannkal scholars to engage in discussion with other university students and members of the Western Australian community. Attendance greatly exceeded expectations, creating a dynamic networking environment. Overall the event was an overwhelming success. Mannkal looks forward to hosting similar events in the future!

Libertarian Primer Launch

Mannkal was pleased to host the launch of *A Libertarian Primer for Future Leaders of Western Australia*, compiled by Mannkal's Advisory Council Member and Canadian Research Fellow, Andrew Pickford. This publication will be used to help educate Mannkal interns about the rich tradition of liberty and libertarian ideas in Western Australia. It will also provide information on some of the key thinkers and leaders who have shaped the contemporary



free-market movement. Most importantly, it will serve as a useful tool for Mannkal's outbound interns, assisting them to navigate through their international intern experiences.



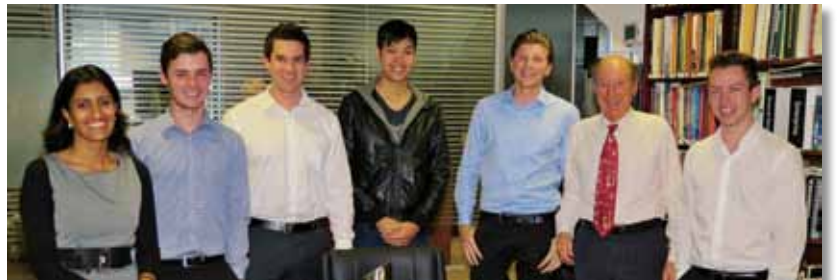
The launch was an overwhelming success with some attendees declaring it to be "Mannkal's best event yet!" Past and present Mannkal Scholars, members of Mannkal's Board of Directors and an array of fresh interested students attended the launch. It signified the passing of the baton to the next generation who will not only update the publication but write the next chapter in the story.

Upcoming Events

Mont Pelerin Society General Meeting, Hong Kong

Mannkal Scholars will be departing Perth to attend this year's Mont Pelerin Society General Meeting in Hong Kong over the next few days.

The General Meeting will be hosted in Hong Kong, a city that now prides itself on its free market economy due to the relentless efforts of the late Sir John Cowperthwaite. See pages 4–5 for the story of Sir John Cowperthwaite.



L-to-r: Arohi Kaila, Matthew Bunney, Paul McCarthy, Christopher Vu, Alexander Dixon, Ron Manners and Magnus Hambleton

Samuel Griffith Society

Mannkal sponsored eight Western Australian undergraduate students to attend the Samuel Griffith Society Conference in Melbourne from 22–24 August 2014. The Samuel Griffith Society is named after Sir Samuel Griffith, First Chief Justice of the High Court of Australia, and a core proponent of Federation. The Society aims to

promote the discussion of Australian constitutional matters, and supports the decentralisation of power through the renewal of Australia's traditional federal structure. The Conference offered students the opportunity to hear from some great legal minds and to engage in debate surrounding the future of constitutional law in Australia.

Launch of the 2015 Economic Freedom of the World Index

Mannkal is very excited to be joining the IPA in hosting the Australian launch of the 2015 Fraser Institute's Economic Freedom of the World Index in Perth.

The Economic Freedom of the World Index measures the economic freedom in each of the world's nations. For instance, in 2011, Western Australia was assessed as the most economically free jurisdiction in Australia, largely due to markedly lower government spending

and fewer dependents on the welfare roll. It will be interesting to see how our state measures up now!

The launch will be held on 30 October at 6:00pm, at the Celtic Club, 48 Ord Street, West Perth. The event will be followed by refreshments and drinks in the downstairs bar. For more information:

<http://www.mannkal.org/events.php>

<http://www.freetheworld.com/>

Australian Mises Seminar

Mannkal will again be sending students to the annual Australian Mises Seminar. The Seminar brings together respected economists and political philosophers for a weekend of lively discussion. The Mises Seminar is named in honour of Ludwig von Mises, arguably the most gifted economist and philosopher of the 20th

century. Mises spawned a global movement dedicated to carrying on his tradition. His students included F.A. Hayek, who went on to receive the Nobel Prize in Economics, and Murray Rothbard, who extended Mises' ideas and founded what is now the modern libertarian movement.

Mannkal Scholars' Articles

The Fraser Institute and Mining in British Columbia by Angus Duncan



In January 2013 I was fortunate enough to be sent to the Fraser Institute in Vancouver, Canada, as a recipient of one of the very generous student scholarships given out every year to students by Mannkal!

At the time I wasn't allowed to discuss the work I engaged in at the Fraser Institute since part of what I was working on was to be used in a report to be published that year. At long last the report, titled *British Columbia's Mining Policy Performance: Improving BC's Attractiveness to Mining Investment*, has been released. I thought I would take this opportunity to speak about the report and what I specifically worked on.

Upon arriving at the Fraser Institute I was given the policy brief to develop policy recommendations on how to improve mining productivity in British Columbia (BC), Canada. In particular I focused on identifying regulatory weaknesses in the BC government's approach to mining and environmental laws and indigenous land rights. I analysed these issues by conducting a comparative review of BC with other highly successful mining economies. Which countries were considered successful in a particular area was based on rankings recorded in the Fraser Institute's highly coveted *Mining Survey*. Using these rankings I researched the policy approach adopted in a given country and compared the approach with that taken in BC. From this comparison I identified areas of difference and developed policy recommendations. It was the recommendations I considered and the research I conducted that informed some of the content included in the final report.

The purpose of the report was to analyse BC's mining sector in order to identify policy changes that could improve its attractiveness as a destination for mining investment. The report was divided into two parts. Part 1 reviewed exploration investment in BC since 1990 and the global market forces and policy factors that have shaped this investment. Part 2 discussed policy factors which determined investment in BC. The report acknowl-

edge that uncertainty was the greatest deterrent to mining investment, in particular uncertainty in the areas of disputed lands claims, areas to be protected, environmental regulation and regulation duplication. In each area the report made several recommendations. The main recommendations focused on streamlining the numerous applications at the federal and local level for a mining licence, improving guidelines and removing barriers. The final paper was presented before the BC government for consideration.

I feel so lucky to have had the opportunity to have worked on, contributed to, and even to have been acknowledged in, such a report. My experience with the Fraser Institute certainly demonstrated to me the power and value of research and the importance of think-tanks in contributing to the wider debate. I would like to take this opportunity to not only thank Mannkal and Ron Manners for having given me this fantastic opportunity, but I would also like to thank the Fraser Institute for hosting me and, in particular, my supervisor Alana Wilson for her support and guidance.

Link to full report: <http://www.fraserinstitute.org/uploadedFiles/fraser-ca/Content/research-news/research/publications/BC-mining-policy-performance.pdf>

International Organisations and Human Rights—A Gap in Accountability by Genevieve Mitchell



A core tenet of liberty is the maintenance of human rights. In Australia, we often take the level of protection afforded to our human rights for granted. In other countries, human rights are subject to far less protection and the fight for liberty is severely weakened. A clear example of this occurred in 2012, when the African Court on Human and Peoples' Rights handed down the *Falana v African Union* decision reinforcing the elevation of State sovereignty over individual human rights.

Human rights lawyer Femi Falana made an application to the Court against the African Union alleging a violation of his "rights to freedom from discrimination, fair hearing and equal treatment, as well as his right to be heard". He argued this on the basis of the existence of a protocol allowing individuals and non-governmental organisations access to the Court only in circumstances where Member States make a declaration providing for such a right. The Court found that it did not have jurisdiction to hear Falana's case as the African Union is an international organisation and is therefore not accountable for the protection of human rights. This is so despite:

- the African Union possessing "legal personality" as an international organisation with the associated legal competencies that this entails; and
- the expanding role that international organisations are exercising in the international community.

Even the International Law Association recognises that "power entails accountability, that is the duty to account for its exercise". Nevertheless, the obligations of international organisations remain relatively undefined and underdeveloped.

The division of responsibility for human rights between States and international organisations is in a state of confusion. Other than the European Union, international organisations are not bound as signatories to any human rights treaties. On the contrary, customary international law, derived from the custom of the international community, applies to all subjects including States and international organisations. The adoption and affirmation of the Universal Declaration of Human Rights has arguably transformed some human rights law into customary international law. The prohibition on racial discrimination, the prohibition on torture and the prohibition on slavery, to name a few, strictly apply to all international actors. On this basis, it may be asserted that the African Union does possess certain obligations with respect to human rights.

Do international organisations have a responsibility to actively protect human rights, or must they simply refrain from infringing upon them? The role of international organisations is not that of an enforcer of human rights obligations. Human rights are primarily the responsibility of member countries and of other, non-financial entities, such as the United Nations, treaty monitoring bodies and

regional human rights organisations. Additionally, the African Union has failed to condemn any abuse of human rights nor is there evidence that disapproval by the African Union is acknowledged by Member States. Is the African Union merely a "toothless tiger" in its approach to human rights?

The Court's conclusion in *Falana v African Union* is technically justified on the basis of current principles of international law. However, the Court was established with the aim of protecting human rights. Any restrictions on access to the Court are thus fundamentally against its goal to protect individuals over and above its commitments to State sovereignty. The introduction of the protocol indicates a return to prioritising State sovereignty and it guided the majority judgment in *Falana v African Union*. The issue that remains is whether this decision is morally inadequate. By failing to hold an international organisation or a State to account for violations of fundamental human rights, has more power merely been placed in the hands of States despite the fact that "no continent and no people have experienced so much agony and suffering as a result of massive violations of human rights" than that of Africa?



Apply Now!

Mannkal is pleased to announce it is offering a wide range of international scholarships over the 2014/15 University summer break.

All internships are financially supported through the Mannkal Scholarships Program.

To apply for scholarships at one of the destinations listed below, please email your resume, statement of academic record and a one-page cover letter detailing why you are the ideal candidate for a Mannkal scholarship to scholars@mannkal.org

STUDENT SCHOLARSHIP OPPORTUNITIES TO:



**BERLIN – CAMBRIDGE – HONG KONG – LONDON –
LOS ANGELES – MELBOURNE – OTTAWA –
PERTH – SYDNEY – VANCOUVER – VILNIUS –
WASHINGTON D.C. – WELLINGTON – WINNIPEG**

Donor Intent for Mannkal Economic Education Foundation

"Intellectual contribution – I'd argue that a donor's intellectual contribution is as important as the financial contribution. While such reasoning is rarely popular with grant recipients, I believe it's true. What I'm saying is this – the same creativity and drive that went into making the money possible in the first place is likely to play a key role in creating successes in philanthropy. After all, the goal is the same in business as in philanthropy – to analyse a problem and create a solution. And while that goal is probably harder in philanthropy, that's all the more reason to take advantage of the best thinking possible."

— Daniel S. Peters, President – Ruth & Lovett Peters Foundation, Cincinnati, Ohio, April 27 2004

These notes will, hopefully, benefit those who continue the work of Mannkal Foundation. Through hard work I have prospered and enjoyed the benefits of life as an Australian citizen.

I am mindful of my good fortune and I want all future Australians to enjoy as much of all that the best law and culture can offer. However, all around me, I find little appreciation of why Australia offers so much, or of the pitfalls that occur when Australians depart from the practices that have created our opportunities.

I have endowed *Mannkal Economic Education Foundation* in the belief and hope that it will contribute to the lives of young and yet unborn Australians.

While appreciating that time will change circumstances, my objectives are quite specific both concerning the society that will best serve our future and the means by which Mannkal should contribute to such a society. As far as it should remain practical, I want all those who will share responsibility for managing Mannkal to be guided by these aims.

Society

Australia is a relatively liberal society allowing individuals room to manage their own affairs within stable and certain law that avoids favouritism and protects life, liberty and property. As anyone may observe, these virtues are practiced most in countries to which refugees flee and least in countries from which they escape.

The relative success of governments that trespass only lightly on their citizens' liberty is evident and also supported by theory. The Austrian economists, especially FA Hayek, have demonstrated to my satisfaction that even the most benign governments could never assemble the information or command the administrative machinery to serve the diverse and ever-changing interests and aptitudes of the millions of their people. Governments too often exceed their legitimate roles preventing people from planning and managing their own lives.

Further, experience tells us that few governments remain consistently benign. Lord Acton once observed that power tends to corrupt and the public choice theorists have explained how concentrated vested interests divert democratic governments' policies from the general interest at the expense of people with less ability to organise. Nevertheless, people respond to the good or bad arguments of good or bad opinion leaders and it is of the nature of democracy that their governments follow. Good, or at least better, government is not a utopian dream.

Mannkal's Team

What looks like a complex web of volunteers and key professional staff is what gives Mannkal its competitive advantage in launching so many youth leaders into the world of ideas, precisely aligned to the opening paragraphs of this document.

I knew FA Hayek well enough to know that he would be proud to see "spontaneous order" emerge from our activities.

Over the years we have also developed healthy relationships with many host think-tanks in numerous countries who have come to expect Mannkal to send them only our very best students to participate in "student opportunities" such as internships, attending conferences, participating in projects and research, with the emphasis on turning these ideas into action.

This has set a pattern for Mannkal to continue creating these "student opportunities" and expand our program with the valued assistance of our Board of Trustees, our Advisory Council Members in various parts of the world — Mannkal's Ambassador Circle — who support Mannkal's activities beyond the student programs, and importantly, our own key staff members who execute, monitor and measure the outcome of these programs.



2005



\$280,000
60 scholars

2009



\$1,600,000
335 scholars

2013



\$2,250,000
650 scholars

2015



\$3,250,000
860 scholars

Mannkal works with universities and institutions to support:

- **Events** that allow individuals to exchange ideas defending free markets.
- **Seminars and student scholarships** to promote the greater understanding of the concepts that underpin free societies.
- **Policy papers** on relevant topics pertaining to Western Australia.

