



n the last day of the 2009 financial year around one third of the adult population of Australia purchased at least one ticket in the country's largest-ever lottery, which was advertised as having the potential to deliver to the winner an amazing \$90

million. The lottery was so popular that around 10 million tickets were sold, pushing the proceeds of it to \$106 million. The prize was shared between two people who wisely opted to remain anonymous. (Although how one would conceal from family and friends suddenly being \$53 million richer would require a great deal more ingenuity than picking the winning numbers.)

On the day of the lottery a radio station in Darwin contacted me. They wanted to interview me about an essay I had written, *On Luck*.^{*} Why, the announcer asked, are Australians so obsessed with the idea of luck? It was a clever take on the day's biggest story, to pull back from the frenzied queues at newsagents and ask the bigger question: what's going on here?

After all, there have been endless articles telling us that we had a better chance (1 in 20 million) of being canonised, and quite promising odds (1 in 11,500) of winning an Oscar, whereas the chances of winning this lottery were 1 in 45 million. In fact, "LOTTO is the only form of gambling where the chances of winning are only very slightly improved by buying a ticket," commented a blogger on the Sharesguru website, a space generally devoted to information about the stock market but which on this occasion hosted a forum on the unprecedented lucre offered by the lottery.

Undeterred, the optimists lined up to hand over something in the order of \$170 million (60 per cent of the take is returned as winnings), in the hope of getting rich quickly and with little effort.

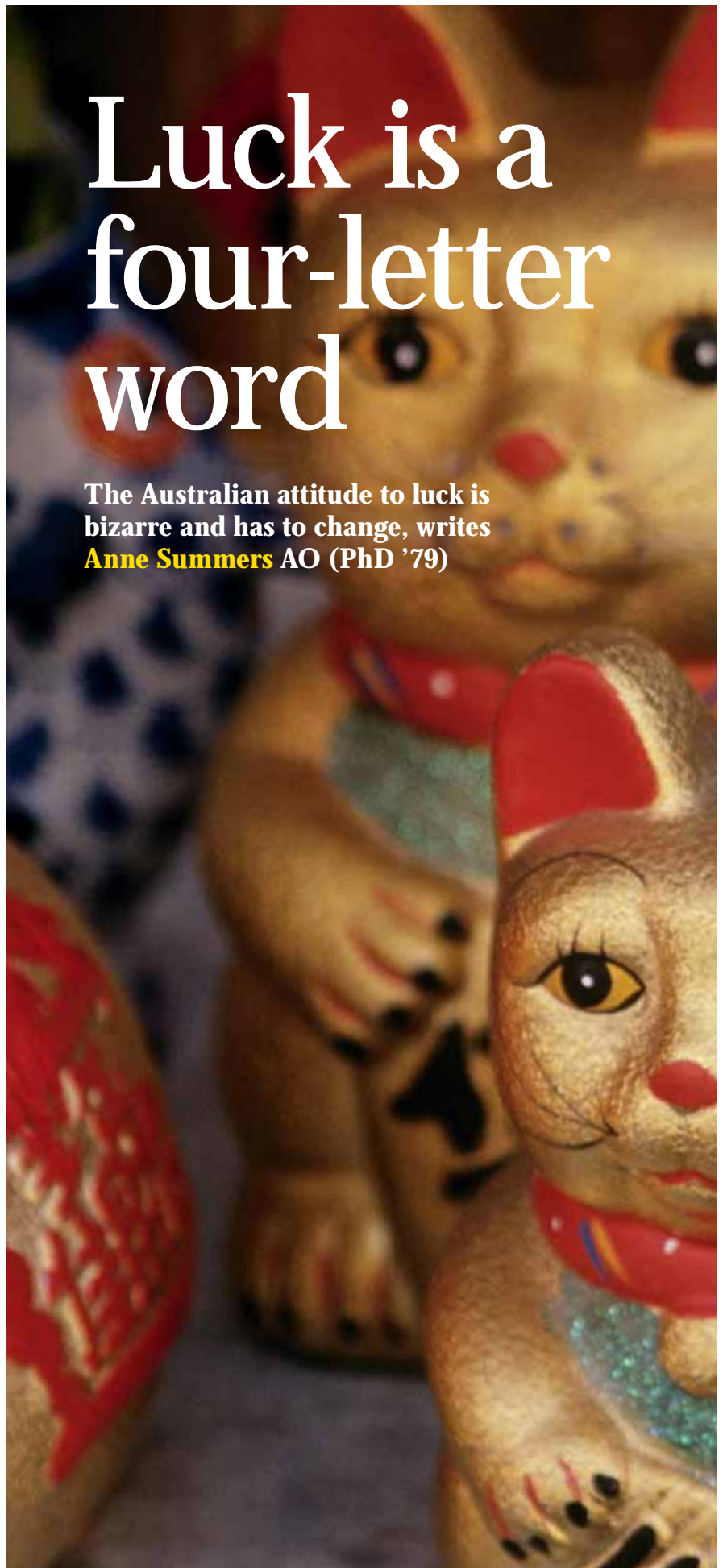
It has always been thus. Australians have had a get-rich-quick mentality ever since the first white toe tested the waters of Sydney Cove. Our appetite for gambling, which our forebears must have brought with them, soon became naturalised. In 1808 a visitor to the colony observed, "To such excesses was the pursuit of gambling carried among the convicts that some have been known, after losing money, provisions, and all their cloathing [sic], to have staked their cloaths upon their wretched backs, standing in the midst of their associates naked..."

Losing their shirts did not discourage the convicts from gambling and nothing in the past 211 years has deterred the exponential growth of our love of a chance for easy money. So much so that Australians today are the greatest gamblers on earth. We spend (and hence, also lose) more per capita than any other nation. Our losses for 2005-06 (the last year for which figures are available) totaled \$17.5 billion – or \$1122 for every man, woman and child in this wide brown land. Our gambling losses exceed household savings, by a long shot.

As a country we are profoundly addicted to the idea that we are lucky. When Donald Horne published *The Lucky Country* back in 1964 we embraced the term with ardour. We ignored the fact that Horne had used the term ironically

Luck is a four-letter word

The Australian attitude to luck is bizarre and has to change, writes Anne Summers AO (PhD '79)





cover story

Maneki Neko – Japanese beckoning cat (brings good luck) Photo: Getty Images

– to jolt us out of our complacency and alert us to the need for major change. Instead it has become a cliché for the way we want to see ourselves. You hear it everywhere: we say it out loud, standing around the barbecue, the seafood plentiful, the wine chilled, the sky blue. In all sorts of conversations, in Qantas ads, from the mouths of travellers returning from overseas trips full of complaints.

“We are so lucky,” people say, pointing to our relaxed and comfortable lifestyle, the physical beauty, our lack of major social tensions or economic polarisation, our relatively benign climate, the protection afforded by geographic isolation and island status. These claims do not withstand close scrutiny, but they are central to the romance that luck defines us and drives us and that we are somehow blessed. Within this narrative, while there may be losers, they are the exceptions that confirm the rule. As a country, we are lucky.

Why did we embrace this term so ardently? There have been many other books about Australia that have used other phrases to describe us, but none has had such enduring power. We *want* to think of ourselves as lucky. It accords with the sentimental view we have of ourselves.

It has been a consolation for us to think of ourselves as lucky, when we could just as easily have concluded the opposite. We could have believed we were *unlucky* to be so far from Europe and the United States, for never having gone through the nation-building exercise of a war of independence, for not having the challenges of a smaller territory or a larger population. Perhaps because we have always secretly harboured the fear that Australia Felix is a self-reinforcing myth, and that we needed to camouflage our insecurity, we seized upon Donald Horne’s term as if it were a life raft; and we have floated, more or less comfortably, upon it for the past 40-odd years.

It became our legend. We placed our faith in a gambling term. We made a decision, in effect, to take a flutter on the future. It was very seductive to think of ourselves as graced, as Godzone. It also helped us cope with adversity, such as drought or fire or bank failure, as we could console ourselves that these were unusual and temporary aberrations to our normal run of good luck.

It led us to develop a wry and laconic humour that has become a distinctively Australian way of dealing with misfortune. In his classic stories of Dad and Dave and Mum, barely scratching out a living on their selection, Steele Rudd told of ruinous events with a sardonic humour. At the same time, especially for our governments, it justified complacency, and failure to notice the profound changes occurring in our region and in our world. We encased ourselves in a self-satisfied cocoon of contentment; secure in the belief that luck would see us through.

Nowhere is this more evident than in our attitude to Australia’s prodigious mineral and energy resources. Nothing irritated Donald Horne more than people’s easy assumption that he had been referring to the nation’s resources when he used the term “lucky country”. In fact, he wrote in 1976, “When I invented the phrase in 1964 to describe Australia I said ‘Australia is a lucky country run by second-rate people who share its luck. I didn’t mean that it



had a lot of material resources, although this was how many people used the phrase at the time of euphoria about Australia's mineral exports.'

In mid-2008, when I was writing *On Luck*, and Australia was in the midst of another, seemingly endless resources boom, few commentators, especially those writing in the financial pages, could resist using the phrase. Even as they were warning that we were likely to repeat history by

squandering the benefits of the boom, these writers still used the language of luck to describe our conundrum.

Of course the boom ended swiftly, late last year, another casualty of the global financial crisis. Within weeks of *On Luck* being published, my gloomy prognosis on how we would most likely mismanage this boom became irrelevant. I had reported, citing the *Australian Financial Review*, that in the four years from 2004, the federal government had enjoyed a \$334 billion rise in tax revenue, most of it through the mining boom. What did we do with this windfall? Did we put it into desperately needed infrastructure to, say, improve roads or schools or our digital highway? No, we didn't. Did we quarantine it from having an inflationary impact on the general economy and emulate Norway or Alaska, two other resource-rich states, by placing it in a sovereign fund and spending only the interest? Of course not.

Instead, the Howard government returned 94 per cent of this \$334 billion to the population in the form of tax cuts and other direct payments. The punters lapped it up, of course. It was another example of our luck. We spent the money as fast as it came in, splurging on plasma televisions, overseas holidays and investment properties, pushing up inflation (and the value of our homes) and interest rates in the process. We spent as if the boom would never end, not believing for a moment that it could. Even when the financial crisis put an end to the party, we tried to tell ourselves that we were insulated from the worst of it, that we were still lucky.

"For much of this year, Australians believed that, once again, we were the lucky country. We had better regulation. We had more responsible banks. We had an export-driven economy based on the unassailable rise of the developing world on our doorstep," wrote Ian Verrender in the *Sydney Morning Herald* in December 2008. "How quickly those beliefs have begun to unravel. Now our big banks reluctantly have begun to own up to the sort of reckless lending practices undertaken by their American and European counterparts."

The federal (Rudd) government had to guarantee all bank deposits, to throw billions into the economy in the form of stimulus packages designed to keep us spending and to borrow heavily to finance the infrastructure programs it had committed to the previous budget, before everything went pear shaped. But despite the best efforts of the federal opposition to alarm us about the huge levels of debt the government has racked up, we don't really believe we are in trouble. For Australians, the glass is always half full. (Usually of sauvignon blanc, the new preferred national drink).



Our propensity for eternal optimism is constantly reinforced.

Our propensity for eternal optimism is constantly reinforced. Our unemployment rates are not as high as predicted; consumer spending is on the up; China's economy remains relatively robust. So what's to worry about? It takes a lot for Australians to look on the dark side of things. So much so that our leaders are taking remarkable steps to try to force us to face the future differently.

Earlier this year, Reserve Bank governor Glenn Stevens, in a speech entitled "Road to Recovery", told us it was time to get realistic about how we can thrive in future: "We cannot achieve effortless prosperity either on the back of ever-escalating mineral prices or simply by bidding up the prices of our houses," he said. "It is as well to realise that".

Prime Minister Kevin Rudd was far more blunt. In a long and remarkable essay published in late July 2009 in both the *The Sydney Morning Herald* and *The Age*, he said we had no choice but to abandon our lucky country mindset. "In the past, Australia relied almost exclusively on the rollercoaster of the boom and bust of the mining sector on the stock market," he wrote. "Instead, Australia needs to build stable foundations for growth by reforming the economy to enhance long-term productivity growth, the only reliable driver of long-term improvements in national living standards". In other words, we can no longer rely on luck and, in this case, luck is essentially a metaphor for our mineral resources.

Instead we are being told we have to shift in a quite fundamental way how the Australian economy operates and, concomitantly, how we think about ourselves. No longer able to rely on luck, we are going to have to roll up our sleeves and get to work, build ourselves a very different sort of economy. Will we be able to do it?

We have never avoided the hard work that was needed to build the nation but we have chosen to represent ourselves differently: as the beneficiaries of good fortune rather than of honest toil. We want to think of ourselves in a certain way, and it is this attitude that will be very hard to shift. We seem to need to believe that our wealth was acquired effortlessly, perhaps so the rest of the world would see us as an antipodean paradise.



Was it out way of compensating for the “tyranny of distance”, the geographical dice that placed us on the edge of the world, a good three hours by jet from our nearest neighbours and a full day’s flying from the centres of Europe and the United States? Was it another sign of our insecurity, accurately if cruelly derided in the early 1980s by Lee Kwan Yew, the former prime minister of Singapore, when he called us the “lotus eaters of the South Pacific”? We advertised ourselves as lucky which, when you think about the randomness involved in such good fortune, was another way of boasting of being lazy. All that bounty for no effort. Just like winning the lottery.

To try to understand why Australians are so susceptible to the notion of our luck, we perhaps have to go back to the gold rushes of the mid-19th century, because it was then that many of the traits of our national character were formed.

Being a nation of immigrants, most of us are descended from people who came to Australia hoping to improve their circumstances; but nowhere was this more the case than with those people who rushed to NSW and, in even greater numbers, to Victoria, hoping to get rich quickly. In the 10 years between 1851 and 1861 the population of Australia trebled as fortune hunters flocked to the antipodes. Most of the increase occurred in Victoria where the population rose from 11,738 in 1841 to 540,322 in 1861. Such an influx could not fail to have a dramatic impact on the country, on both the land itself and on the conduct and morality of the people.

Henry Handel Richardson’s epic goldfields trilogy, *The Fortunes of Richard Mahony*, brilliantly described this impact. *Australia Felix*, the first novel, described the physical and psychic ruin that befell so many of the diggers. So much of who we are was formed in those two decades: the iconic term “digger”, our hatred of authority as encapsulated in the 1854 Eureka Stockade rebellion, our reliance on bureaucracy in the form of the diggers’

licenses that prompted the rebellion; the fluidity of our class system which accepts and even applauds the idea that people can, through sheer luck, become wealthy overnight.

Another interesting aspect of the Australia of the gold rush period was the preponderance of Chinese. In 1861, one in 30 of the population was Chinese, with huge numbers having travelled from southern China to Xin Jin Shan, or New Gold Mountain, as opposed to depleted California – the old mountain. These days, the Chinese are still intimately involved in the extraction of Australia’s mineral resources, but in a far more corporatised way.

There can be no doubt that the gold rushes had an important and not necessarily positive impact on the evolving Australian character. “Balaarat [sic] was a Nugety Eldorado for the few, a ruinous field of hard labour for many, a profound ditch of perdition for Body and Soul to all,” wrote Raffaello Carboni, the Italian writer who provided the only eyewitness account of the Eureka Stockade. He could have been describing us today. We became obsessed with money early in our history and this obsession has never left us.

We are far more interested in the material than the spiritual. Even before the gold rush, Charles Darwin observed that Australians’ only interest seemed to be money, but it was in the goldfields that we began to see our national fortunes as being inextricably bound with what lies beneath, and to be unperturbed by the precarious nature of such wealth. All you need is a bit of luck: to locate the stuff, be able to dig it up, find customers for it, hope that prices don’t collapse and other nations don’t undermine us; that the boom lasts far into the future. We acquired this way of thinking early in our history, and it will be very hard to discard.

As is our national obsession with gambling which, of course, has nothing at all to with luck. Gambling is all about odds and most forms of gambling involve odds that are so stacked against the punter that you wonder why anyone bothers. Two-up is the only game that delivers all the takings back to the players. Everything else involves a cut for the house, a commission for the seller in the case of lotteries and, the biggest player of them all, state governments which in 2006 took in a staggering \$4.6 billion from all forms of gaming. No one is more addicted to gambling than our governments, whose take has doubled in the past 20 years and will continue to increase so long as Australians ignore odds as long as one in 45 million and insist on believing they have a chance of winning. Kevin Rudd might be urging us to stop thinking we’ll get lucky and start getting seriously productive but his state counterparts have a stake, and a very high one, in our ongoing romance of our luck. And if the massive response to the lottery on 30 June is anything to go by, it will be very difficult to make us give it up. **SAM**

* Anne Summers *On Luck*, Melbourne University Press, 2008, \$19.95.

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