

# POLICY THROUGH THE DECADES 1985–2018



### 1980s

#### Taxes and Incentives— Some Basic Dilemmas

#### **Michael Porter**

CIS Policy Report 1:1 (February 1985), 1-4

[T]he major constraint on any tax reform is the size of government and its underlying commitments



CIS Policy Report

to various interest groups within the community. No amount of reshuffling of the tax deck or debt structure can alter the fact that a community that expects a lot of its government must expect to pay a lot of tax. And some of the consequences of high taxes are disincentives to work, to invest, and to employ people.

... The underlying tax policy constraints are on the expenditure side and can be altered only by decisions to change expenditure commitments.

#### Capital Gains Taxation: Some Overlooked Aspects in the Current Debate

#### **Robert Officer**

CIS Policy Report 1:2 (April 1985), 1-4

Governments with budgetary problems will be sorely tempted

not to adequately index gains subject to taxation. This is administratively a very easy way to increase taxes once a capital gains tax is in place. There is plenty of evidence of 'inflation' creep in taxation through improperly indexed tax rates or taxable income levels, and we saw how short a time indexation lasted when it was introduced by a previous Fraser Government.

I believe the debate about a restructuring of our tax system is misplaced unless the real problem of government expenditure and the increasing direct control of resources by government is addressed.

#### The Flight from Justice

#### Lauchlan Chipman

CIS Policy Report 1:2 (April 1985), 6-9

It is important for people to realise that bodies like the Human Rights Commission cannot be dismissed



as collections of well-meaning, concerned, responsible citizens. Perhaps they are; that is not the point. The record of the Commission has been quite appalling when it comes to the protection of fundamental individual rights and the Commission itself has been party to the most serious violations of such rights. . . .

We are talking about the erosion of standards of justice. The growth of commissions and boards with quasi-judicial powers is a most serious regression in the public commitment to justice in Australian society. The flight from justice must be reversed.

## Australia Post: What's the Message?

#### **Robert Albon**

CIS Policy Report 1:4 (August 1985), 8-12

All is not well with postal services in Australia. This is evident from even a cursory observation of what



is happening. Australia Post's reluctance to reveal details of its operations is, in itself, evidence that something is wrong. A more tangible indicator is the spectacular success of competitive operators in the context of widespread criticism of the costliness and unreliability of Australia Post's operations.

Australia Post is not totally to blame for the problems. Successive Governments have been responsible for placing pressure on the postal service to base its prices on political considerations rather than on the cost of providing the service.

## Political Interference in the Rental Market

#### Ray Ball

CIS Policy Report 2:3 (June 1986), 7-12

[W]e have seen rent control, rent 'review' (the modern term for control by state government),



skyrocketing land taxes, punitive taxes levied by water authorities, ambitious social policies pursued by local councils and financed by taxes on property, state government duties, federal capital gains taxes, limitations on interest deductibility, restrictions on foreign investment in residential housing, federal social and economic policies that result in high interest rates in

both real and nominal terms, government expropriation of interest on rental bonds through the Rental Bond Board (security deposits), and so on. Who could be surprised that the rental market is tight and is widely expected to remain tight in the foreseeable future?

With so many friends in government, tenants surely need no enemies.

#### The Simple Lessons of Economics for Hi-Tech Medicine

#### John Logan

CIS Policy Report 2:4 (August 1986), 12-15



Hi-tech medicine is no different from other industries with similar

cost conditions—except for the zealous regulation it attracts. . . When government subsidises hi-tech procedures, it introduces a significant wedge between what buyers pay and what producers receive. Market signals are not transmitted in full, and the result is an excessive, price-induced growth in demand for such services. Some receive welfare benefits, but there is a net welfare loss. Medicare has the same consequences for hundreds of similarly subsidised health services.

One solution to the 'problems' that are supposed to be inherent in hi-tech medicine — a solution rarely put forward as a serious proposal — is to remove the factor that caused the problems in the first place. This means, in plain words, that the government should get out of the medical market place.

## Industrial Policy and the New Corporatism: Picking Winners?

#### Ralph Harris

CIS Policy Report 2:5 (October 1986) 6-9



[P]oliticians and bureaucrats have no expertise in 'picking winners'.

In the real world of ceaseless change and pervasive uncertainty, there is no good substitute for the dispersed judgement of entrepreneurs with the twin incentives of making money and avoiding bankruptcy. Indeed, it is the absence of the threat of bankruptcy that enables government to persist with failing projects long after they would have been wound up in the competitive market place. Unlike entrepreneurs, politicians are reluctant to acknowledge failure and cut their losses.

#### Classical Liberalism, Public Choice and Political Leadership

#### **Michael James**

CIS Policy Report 4:1 (February 1988), 1-5



[D]espite the public choice emphasis on interests rather than

ideas in explaining political outcomes, there is still a vital role for intellectual activism in promoting liberal reform. Ideas are among the crucial tools of political entrepreneurship: successful reformist leaders know how to process ideas into rhetoric that indicates new ways of promoting interests and builds up constituencies favouring new policy directions. Abstract liberal ideas about private property and freedom of choice may excite few people other than intellectuals. But skilful rhetoric can make these ideas relevant to, say, tenants in housing estates run by bossy and unimaginative municipal authorities and to parents whose children are getting an inferior education from the state system: people who can see the immediate gains from home ownership and parental choice in education.

#### Privatisation: Restating the Obvious

#### **Greg Lindsay**

CIS Policy Report 4:2 (April 1988), 1-2

The politicians promoting the privatisation debate are usually keen to let us know they are being



'pragmatic' (assessing the virtues of privatisation on a case-by-case basis) rather than 'ideological' (believing in privatisation in principle). But this stance merely invites the opponents of privatisation to filibuster the debate into the ground by endlessly quibbling over the details and the evidence. To make real progress and to get public opinion on side, politicians need to inject into the debate some clear idea of what kinds of activity they think it appropriate for the state to be involved in.

The need for this approach was made as clear as it possibly could be in the row over Telecom's proposal to time-charge phone calls. . . What this did was to show the lunacy of politicising what are essentially commercial decisions . . . [P]oliticians thought it was their job to decide how phone charges should be set, just because Telecom is state-owned.

#### Taken for a Ride on the VFT: Why the VFT **Project Won't Work**

#### John Nestor

CIS Policy Report 4:6 (December 1988-January 1989), 12-15



High-speed railways thus rely on very large populations and large travelling markets. They also rely on relatively short high-speed railways, normally connected to the general system (for example the Paris Sud East TGV line is about 400km long). In contrast, the proposed VFT [Very Fast Train] line connects to two large cities 900km apart. With the exception of Canberra — a very small city by world standards — there is not much in between.

Given the costs and total market estimates of the VFT consortium, the railway could not possibly cover its costs . . . If the consortium goes ahead it must be on the understanding that no government money or concessions will bail it out.

#### How the Welfare **State Undermines** Constitutionalism

#### Suri Ratnapala

Policy 5:1 (Autumn 1989), 50-52



[S]tudies have shown that governments in modern democracies are often elected by 'distributional coalitions'... which represent collective choice only in the crude sense of producing legislative majorities.

. . . These investigations have seriously undermined the claim that the interventionist activities of government in pursuit of welfare objectives are mandated by genuine majority opinion. Hence they challenge a major basis of the legitimacy of the welfare state. If the welfare state cannot be justified by reference to a meaningful form of democracy, it also follows that the welfare state has been constructed at the expense of one of the central features of the Australian Constitution, namely, the establishment of a democratic and accountable government. Yet public law theorists continue to insist that the welfare state including its coercive aspects are the consequences of public choice.

### 1990s

#### The Politics of Successful Structural Reform

#### **Roger Douglas**

Policy 6:1 (Autumn 1990), 2-6

People cannot cooperate with the reform process unless they know where you are heading. Go as fast as you can, but, where practicable,



give them notice by spelling out your objectives and intentions in advance. Where programs can or will be implemented in stages, publish the timetable upfront. These strategies show that you know where you are going, commit the government to action, let people know how fast they have to adjust, and reinforce the credibility of the total program.

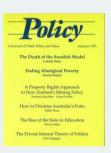
... In 1987, after the most radical structural reforms in 50 years, New Zealand Labour fought the election on the platform that the job was only half-done: we alone had the guts and know-how to finish it. The government was returned with all the seats it won in the 1984 landslide election, and took two more seats away from the opposition. Voters wanted the job completed, and done right.

#### **Ending Aboriginal Poverty**

#### **David Pollard**

Policy 7:1 (Autumn 1991), 6-10

Although some Aborigines are now working for the first time, those unaffected by current employment and training programs remain a large proportion of the Aboriginal



workforce . . . The fact that only a minority of Aborigines have benefited from existing government programs parallels the black American experience . . .

So long as policies target Aborigines as a group, rather than the most disadvantaged of them, or indeed, the most disadvantaged of the community as a whole (who will in fact be very largely Aborigines) those policies will further advantage already employed members of the Aboriginal sub-group and leave unaffected the longterm unemployed and welfare-dependent. Government policies for preferential treatment of Aborigines as a group, in other words, may contribute nothing to the alleviation of the economic conditions among the lowest cohorts of Aborigines.

#### The Tax File Number Scheme: Political Assurances versus **Function Creep**

#### Roger Clarke Policy 7:4 (Summer 1991-92), 2-6

The scheme to enhance the Tax File

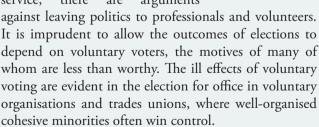
Number (TFN) emerged from the ruins of the Australia Card proposal, which was eventually withdrawn in September 1987 in the face of an unprecedented public outcry against the invasion of privacy that it represented . . . The initial scope of the TFN was wider than had been commonly understood, and additional functions have accumulated through 'function creep'. The express limitation of the scheme to taxation uses has been progressively circumvented, so that the scheme now applies to virtually every benefit and pension paid by any Commonwealth government agency, and production of the TFN is mandatory. It is becoming the general purpose identification scheme that the Australia Card was intended to be. The government's assurances of mid-1988 are shown to have been worthless, and the information technology imperative rampant.

#### For Compulsory Voting

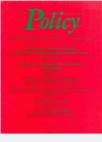
#### **Ross Parish**

Policy 8:1 (Autumn 1992), 15-18

[E]ven in a minimal state, political activity is a regrettable necessity. As with jury service and military there are arguments



By making all citizens, including the apathetic and the apolitical, perform their civic duty of voting, compulsory voting affects political culture in a conservative way, and helps preserve us from the depredations of the ideologues and powerful interest groups. To my mind, this is a distinct advantage . . . I suspect that the situation I have described—in which an institution that seems objectionable on philosophical or ideological grounds nevertheless has desirable consequences—is not uncommon.

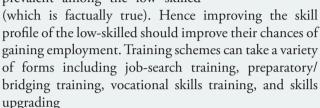


#### **Employment Policies** Don't Work

#### **Judith Sloan**

Policy 9:4 (Summer 1993-1994), 3-7

The argument often runs that unemployment is much more prevalent among the low skilled



. . . It is generally agreed that providing training courses to the unemployed will not, of itself, lead to job creation, and indeed participants may experience a high level of frustration if a related job cannot be secured on completion of a training program. There needs to be an expansion of demand in order for the newly trained to find employment.

. . . The type of training scheme offered needs to be carefully considered. There is a question mark over the value of very short courses . . . more broadly-based training leading to widely-accepted credentials may be preferable.

#### **Buy Australian?**

#### **Terry Black**

Policy 10:1 (Autumn 1994), 7-12

The Buy Australian policy is likely to gain public approval as it appears to favour Australian employment at the expense of



foreigners. In fact, it favours Australians employed by firms that supply the domestic market over Australians employed by importing firms and Australians employed by firms which export. . . [But f]or its supporters, the Buy Australian policy appears to be a must win, or at least no lose, situation.

While the Buy Australian advocates have identified unemployment as the main issue, this is not in fact the case. The real issue is consumption . . . The Buy Australian policy, by substituting inefficient Australian production for efficient overseas production, results in a decrease in the total number of goods and services available to Australians and thereby lowers Australian living standards.

#### High on the Reform Agenda: Competitive Federalism

Wolfgang Kasper Policy 10:3 (Spring 1994), 10-14



The Australian Federation is now highly reliant on centralised

revenue raising. State and local governments are rather dependent on directives and transfers from above. To an unusual degree for a federation, we are told by Canberra bureaucrats, politicians and centralised single issue lobby groups who have influence in Canberra what is good for us.

Would it not be so much better to hand the states their sovereignty to shape their own destinies? And to let the Australian citizen choose freely between, say, a Green stagnant Tasmania, a highly-taxed intensively-governed South Australia, and a low tax, lightly governed and buoyant Queensland? Local government should be freed up too. . . We could vote with our feet, and show those who govern us what we, the sovereign people, really want.

A switch to competitive federalism, as I would call this concept, would greatly revive our old, rigid democracy.

#### Protecting Nature— Privately

#### **Jeff Bennett**

Policy 11:3 (Spring 1995), 1-5

The private sector can play a role in the provision and management of protected natural areas but that role is currently limited by a



number of institutional structures ensuring public sector dominance. The public sector crowds out private sector initiatives by encouraging free rider behaviour. Neither politicians nor conservation bureaucrats are likely to seek out a reduction in this dominance, given that it would involve a diminution of their power and sphere of influence. It also seems unlikely that conservation lobby groups will support a move toward private sector conservation. That would involve a shift in emphasis from 'lobbying'—where great leverage has been achieved on members' inputs—to 'doing'. In addition, some conservationists, and hence their groups, appear to be ideologically opposed to the private sector caring for the environment.

## Charter Schools: A New Paradigm for Education

#### **Ken Gannicott**

Policy 13:2 (Winter 1997), 3-9

At present, many public education departments function as operators of a highly regulated monopoly. Producer capture ensures that the



system is no longer run predominantly in the interests of parents and the community. It is possible to envisage a different system in which government no longer directly runs schools. All, or nearly all, public schools would instead be operated under charter by independent groups of parents, teachers or other profit or non-profit organisations. Even the teachers unions may want to test their claims in the open market. These charters—explicitly and legally enforceable contracts—would define the school's mission, specify the terms of public funding, and stipulate the grounds for accountability.

#### The New Populism

#### **Gregory Melleuish**

Policy 13:4 (Summer 1997-1998), 17-23

For the opponents of cultural transformation—what we may dub the 'new populists'—the elite/ democracy dichotomy is crucial.



Democracy is important because it represents the solid values of everyman and everywoman seeking to preserve their traditional way of life against the corrupting influence of not only the new elitist bureaucracy but also the international forces of business and commerce.

#### The 'Unrepresentative Swill' 'Feel their Oats': The Rise of Senate Activism in Australia

#### **Geoffrey Brennan**

Policy 14:4 (Summer 1998-1999), 3-9



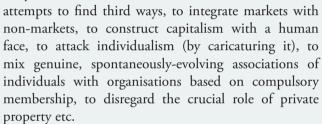
If instead one takes the view of Parliament as a prize, then Senate activism—specifically, the practice of negotiating legislation across the bicameral divide—is to be seen as a shift from majority party government, in which electoral constraints are everything, towards consensus government, in which electoral constraints increasingly play a background role. Whether one thinks this is a good thing or not should depend more on matters of institutional principle and less on particular party loyalties or the fate of particular policies (like the GST).

## Society and the Crisis of Liberalism

#### Vaclav Klaus Policy 14:4 (Summer 1998-

Policy 14:4 (Summer 1998-1999), 16-18

Communism is over, but the old anti-liberal ideas are still with us. They can be seen in continuous



Communitarianism – as I see it – represents a new version of an old anti-liberal approach to society, a shift from traditional liberal democracy to new forms of collectivism. . . Because of ambitions to change human beings, communitarianism is a form of elitism. Its advocates have the feeling that they have been chosen to advise, to moralise, to know better than the 'normal' people what is right or wrong, what will be good for them. . . . I start with the assumption that liberty is an individual quality and therefore we should not collectivise it.

#### The 'Asian Way' and Modern Liberalism: A Hayekian Perspective

#### Chandran Kukathas

Policy 15:2 (Winter 1999), 3-9

[D]espite their claims to be defending Asian values, or the rights of Asian societies to develop

their own models, these politicians and their intellectual defenders really have very little appreciation of the importance of the local. While they might assert an allegiance to regional cultural traditions and mores, in reality they are simply western 'high-modernists'. Authoritarian control is asserted in the name of Asian values. But a real respect for such values would be better evident by recognising that values are diverse and local.



... The more genuine commitment to Asian values would be more readily found in a Hayekian regime, in which social institutions upheld the freedom of Asians to use their knowledge to pursue their own purposes, and to shape or live by their traditions as they understand them. Indeed, if Hayek has anything to teach, it is that this is something that is more important than many advocates of Asian values, or Asian development, have realised.

## Reforming Public Funding of the Performing Arts

#### **Anthony Adair**

Policy 15:2 (Winter 1999), 20-24



The major political problem with public funding of the performing arts is that the present system

divorces the right to spend large amounts of public money from the level of political accountability which should attach itself to such spending. This is illustrated by the system of 'peer group assessment and review' under which a group of arts practitioners recommends to the funding bodies how public money should be allocated to their friends or enemies involved in that same art form.

If the Federal government restricts itself to funding national cultural institutions only, and if it comes to a sensible division of tasks with State and Territory governments, then responsibility for this public expenditure could return to where it rightfully belongs—to the elected politicians. We could then do away with the Australia Council at some savings to the public purse.

#### 2000s

#### Australia's Universities: Last of the Great Socialist Enterprises

#### **Steven Schwartz**

Policy 16:1 (Autumn 2000), 37-41



A few months ago, I checked into the Park Hyatt Hotel. When I arrived, a concierge met my car and greeted me at the door. She escorted me to a comfortable chair, and offered me a welcome drink. She already had my details

on computer, so she had pre-printed the necessary documents and key card. All I had to do was sign the credit card slip. I was then escorted to my room where I found my bags waiting for me. The elapsed time was about five minutes and the stress level was less than zero.

Let's compare the hotel . . . with the ordeal faced by students who wish to enrol at a typical Australian university.

#### The Elite Gatekeepers: **How the Media Captures Public Policy**

#### **Barry Maley**

Policy 16:2 (Winter 2000), 33-38



The search for oppressed groups is essentially a search for victims. And there is no shortage of them, whether they be women, the homeless, Aborigines, farmers, trade unionists, refugees, drug addicts, university students, homosexuals, sole parents, ethnic groups, or textile workers. . . Victims, by definition, are always innocent. And group victimhood is much more interesting than mere individual misfortune or injustice because it points to a systemic failure something necessarily generated by the malevolent workings of Western institutions.

Above all, group victimhood plays well in the media . . . For those interested in the destabilisation of existing institutions and extending the power of government, the tactic is invaluable. In accommodating an endless cavalcade of victims, the state extends its grip more and more into the details of daily civil life.

#### Renewing the Social Fabric: Mutual Obligation and Work for the Dole

#### **Tony Abbott**

Policy 16:2 (Spring 2000), 38-42



Work for the Dole (as well as the wider Job Network) is an organisational application of Edmund Burke's 'little platoons' principle, or what the Catholic Church has called 'subsidiarity'. In his encyclical Centesimus Annus, Pope John Paul II said that 'by intervening directly and depriving society of its responsibility, (the welfare state) leads to a loss of human energies and an inordinate increase in public agencies . . . accompanied by an enormous increase in spending'.

Work for the Dole is organised in the local community, by the local community, for the local community. It does not set up institutions over people but is designed to create connections between them. Its objective is to strengthen individuals-in-community rather than extend the reach of central government.

#### The Rights Trap: **How a Bill of Rights Could Undermine Freedom**

#### **Bob Carr**

Policy 17:2 (Winter 2001), 19-21



Parliaments are elected to make laws. In doing so, they make

judgements about how the rights and interests of the public should be balanced. Views will differ in any given case about whether the judgement is correct. However, if the decision is incorrect, the community can make its views known at regular elections. This is our tradition.

A bill of rights would pose a fundamental shift in that tradition, with the Parliament abdicating important policy making functions to the judiciary. I do not accept that we should make such a fundamental change just because other countries have bills of rights. The culture of litigation and the abdication of responsibility is something that Australia should try to avoid at all costs.

#### The Roots of Muslim Rage

#### **Bernard Lewis**

Policy 17:4 (Summer 2001-02), 17-26



For a long time now there has been a rising tide of rebellion against this Western paramountcy, and a desire to reassert Muslim values and restore

Muslim greatness. The Muslim has suffered successive stages of defeat. The first was his loss of domination in the world, to the advancing power of Russia and the West. The second was the undermining of his authority in his own country, through an invasion of foreign ideas and laws and ways of life and sometimes even foreign rulers or settlers, and the enfranchisement of native non-Muslim elements. The third—the last straw—was the challenge to his mastery in his own house, from emancipated women and rebellious children. It was too much to endure, and the outbreak of rage against these alien, infidel, and incomprehensible forces that had subverted his dominance, disrupted his society, and

finally violated the sanctuary of his home was inevitable. It was also natural that this rage should be directed primarily against the millennial enemy and should draw its strength from ancient beliefs and loyalties.

#### **Why Civility Matters**

#### Nicole Billante and Peter Saunders

Policy 18:3 (Spring 2002), 32-36

[Another] reason why liberals in particular should take civility seriously is that the self-regulation that it demands of people is all that



John Rawls argues that if 'liberties are left unrestricted, they collide with one another'. This is true by definition, for different individuals will always want and desire different and incompatible things, and their unfettered pursuit of their own objectives will inevitably bring them into conflict. The question then is how (and how far) individual liberties are to be restricted or restrained. In the end, this will either be done by external political agencies of the state, or it will be achieved through enlightened self-regulation.

#### Storm Warning: Can the Solomon Islands Be Rescued?

#### **Helen Hughes**

Policy 19:2 (Winter 2003), 3-7

Too often aid has not been spent on development, but on recurrent central government salaries and

'goods and services' subject to kickbacks by politicians and their cronies. 'Capacity building' and 'good governance' aid has thus not improved the working of government, but has accompanied the Solomons' descent into chaos. Placing expatriates in government offices has sometimes enabled revenues to be raised more efficiently but, without improving controls over expenditures, it has also served to strengthen the depredations of the elite. The air-conditioned 4WD brigades of consultants who have supplied this 'boomerang aid' have been the principal beneficiaries.



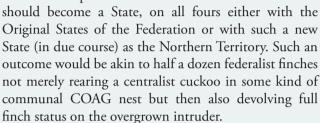
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## Canberra: An Over-Mighty Territory

#### John Stone

Policy 19:4 (Summer 2003-2004), 3-11

From the federalist perspective, it is not acceptable that the ACT



What can be done to prevent it?

#### Out of the Tax Wilderness

**Geoffrey de Q. Walker** *Policy* 20:2 (Winter 2004), 21-28

The Australian tax system displays a range of symptoms suggesting a virtual collapse of the rule of law.



HIGH STAKES

There is a flourishing cash economy which, as Mark Latham points out, at an estimated 15% of GDP is one of the developed world's largest and equivalent to New Zealand's entire economy. An underground economy of that magnitude requires the involvement not only of many businesses, but also of millions of consumers, who apparently believe that the greater spending power they can achieve through cash discounts is worth more than the duty to comply with a law they obviously consider unworthy of respect.

Another symptom is the growing irrelevance of the law and its institutions. Tax advisers struggle to cope with a body of law that the Federal Court's Justice Hill, then a leading tax barrister, in 1987 described as 'unintelligible'.

#### **The China Syndrome**

#### Susan Windybank

Policy 21:2 (Winter 2005), 28-33

Rising Chinese activity . . . should be seen as part of a longer-term political and strategic investment aimed at challenging the leadership



of the United States in the greater Asia Pacific region.

What this underscores is that the strategic significance of a region depends ultimately on the extent to which it gets caught up in the interactions of great powers. This explains why the Southwest Pacific was catapulted from geopolitical obscurity in the 1930s into the strategic limelight between 1941 and 1945 . . . While the region may seem unimportant now, we cannot be sure it will always remain so.

#### **Roads to Serfdom**

#### Theodore Dalrymple

Policy 21:4 (Summer 2005-2006), 3-9

[A]t no time could it remotely be said that Britain was slipping down the totalitarian path. The real



danger was far more insidious, and Hayek incompletely understood it. The destruction of the British character did not come from Nazi- or Soviet-style nationalisation or central planning, as Hayek believed it would. For collectivism proved to be not nearly as incompatible with, or diametrically opposed to, a free or free-ish market, as he had supposed.

. . . The state action that was supposed to lead to the elimination of Beveridge's five giants of Want, Disease, Ignorance, Squalor and Idleness has left many people in contemporary Britain with very little of importance to decide for themselves, even in their own private spheres.

#### The Rise of Bia **Government Conservatism**

#### **Andrew Norton**

Policy 22:4 (Summer 2006-2007), 15-22

Though people identifying with the Coalition parties still prefer lower taxes to more social spending, the record shows that the smaller



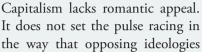
government movement of the 1980s and 1990s did not win out. Perhaps its supporters did not realise that their most formidable opponents were conservatives and not the Labor Party. The 'modern conservatism' of John Howard, by forgoing the now-controversial conservative social policy of earlier eras, uses costly spending programmes to support families and social cohesion. It is inconsistent with shrinking the size of government.

A strong case can be made that the Coalition received little direct credit for outspending Labor on education, health and welfare. . . The bigger, and more complicated debate, will be whether the added spending for 'modern conservatism' can be justified even on its own terms.

#### Why Capitalism is Good for the Soul

#### **Peter Saunders**

Policy 23:4 (Summer 2007-2008), 3-9





like socialism, fascism or environmentalism can. It does not stir the blood, for it identifies no dragons to slay. It offers no grand vision for the future, for in an open market system the future is shaped not by the imposition of utopian blueprints, but by billions of individuals pursuing their own preferences. Capitalism can justifiably boast that it is excellent at delivering the goods, but this fails to impress in countries like Australia that have come to take affluence for granted.

It is quite the opposite with socialism. Where capitalism delivers but cannot inspire, socialism inspires despite never having delivered. Socialism's history is littered with repeated failures and with human misery on a massive scale, yet it still attracts smiles rather than curses from people who never had to live under it.

#### Suffer the Intellectuals

#### **Owen Harries**

Policy 24:1 (Autumn 2008), 44-47

[Orwell] is surely right identifying, and condemning, the tendency to assume that whoever, or whatever, is winning at the



moment is going to prevail in the long term. Intellectuals do this regularly, if not compulsively. Their record with respect to the prospects of democracy over the last thirty years provides a striking case in point.

By the mid-1970s, Western liberal democracy had experienced a decade's worth of battering from a variety of sources: anti-war protesters, members of the 'counterculture', student protest movements, civil disobedience, domestic terrorists and assassins, corruption in high places and, in the case of the United States, defeat in war. The immediate reaction to all this on the part of many intellectuals, including some very eminent ones, was that it signalled the end of democracy. . . . [But t]he predictions of Moynihan and Revel turned out to be unfortunately timed. For, even as they wrote, democracy's bad decade was ending and a spectacular reversal soon ensued.

## Why Would an Economic Liberal Set the Minimum Wage?

#### Ian Harper

Policy 25-4 (Summer 2009-2010), 3-7



I was equally determined to oblige

people with strong views about minimum wages—either for or against—to confront the evidence. My experience of economic policymaking throughout my career is that there are very few, if any, issues that are clear cut. . . . Over the life of the [Australian Fair Pay] Commission, the quality of submissions steadily improved. As people were confronted with ambiguous data, the stridency of their submissions diminished, at least to some extent, and they began to grapple with the delicate balancing act that lay at the heart of the AFPC's remit.

... To ground a new economic institution on the principles of openness, transparency and accountability to evidence and logic was a rare privilege and an opportunity too good for this economic liberal to pass up.

### 2010s

#### **Liberating Australia's Cities**

#### **Alan Anderson**

Policy 25:1 (Autumn 2010), 13-18



The right of the landholder to build what he will and do what he pleases on his own land is now so circumscribed by regulation as to be undeserving of that name. Before erecting a new structure, or even extending an existing one, the landholder must entreat the council for permission via a cumbersome bureaucratic process. A similar process is required before he presumes to operate the most humble of businesses from his own home.

. . . While property rights cannot and should not be absolute, the sovereignty of landowners should be substantially restored, not only for their benefit but for that of the broader community. The culture of uncertainty and bureaucratic permission must be replaced with a system of predictability and strictly limited prohibitions.

#### Free and Fair: How Australia's Low-Tax Egalitarianism Confounds the World

#### **David Alexander**

Policy 25:4 (Summer 2010-2011), 3-15



A more useful and apt description of the Australian model is that of small government egalitarianism, a unique combination of economic liberalism and egalitarian policy structures that contrasts with both European models of welfarism and the American model of inequality acceptance. Northern hemisphere thinking on the left and the right equates egalitarianism with higher levels of welfare and higher taxes; the Australian model wrong-foots this analysis by producing egalitarianism through lower taxes on lower income earners and reduced government spending on higher income earners.

The emergence of this Australian model—this platypus model—may confound the old northern hemisphere thinking that small government and egalitarianism are mutually incompatible. But it presents a sustainable model for successfully addressing the two eternal challenges of statecraft—maintaining internal harmony while possessing external strength.

#### Living in Two Worlds: Reconciling Tradition and Modernity in Aboriginal Life

#### Sara Hudson

Policy 25:4 (Summer 2010-2011), 25-30



Many Aboriginal people are living successful lives. However, as they battle to participate in the wider world while still retaining their unique cultural identity, there are things that Aboriginal people can learn from the Jewish experience. In particular, the importance of education, attitudes and social controls over the use of alcohol, and how to reconcile communal loyalties with individual interests.

#### **On Tolerance**

#### Frank Furedi

Policy 28:2 (Winter 2012), 30-37

[T] olerance constitutes one of the most precious contributions of the Enlightenment movement to



modern life. . . [I]t is important to recall that the call for tolerance by early liberals like Locke, and later by Mill, was not motivated by the objective of challenging relations of power but by the goal of restraining the state from regulating people's views and opinions. This outlook was motivated by the impulse of upholding the freedom of belief, conscience and speech because liberals took the view that it was preferable for people to find their own path to the truth than that truth should be imposed from above.

Critics of [this] so-called negative tolerance not only overlook its liberating potential but by failing to take this ideal seriously, they often become accomplices to projects of intolerance. [O]nce tolerance is regarded as an instrumental act of indifference to views and opinions, the upholding of the freedom of belief and speech ceases to have any intrinsic virtue.

## The State of Australian Federalism: First Principles

#### **Robert Carling**

Policy 28:2 (Winter 2012), 8-13

The reform most cited in any discussion of the future of federalism is abolishing state and local government in their current form, and replacing them with as



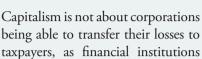
many as 50 regional governments. Despite having a degree of policy and revenue autonomy from Canberra, these governments would for the most part be service delivery agents of the central government. This would be the ultimate death-knell for federalism.

. . . It is safe to say that replacement of the states will remain a centralist's pipedream and the three-tier system is here to stay, with sovereignty of the states preserved by the constitution. The question is whether this system in operation (the 'working constitution') continues to drift towards greater centralisation of policy and finance, or steps are taken to halt and reverse this process.

#### **Crony Capitalism**

#### **Adam Creighton**

Policy 29:1 (Autumn 2013), 34-38





and even car manufacturers and insurers have done in Europe and the United States. It is not about allowing senior employees to scrape off the profits of capital simply because they can—capital that has been supplied by others. Nor is it about armies of bureaucrats, corporate welfare, implicit guarantees for banks, or welfare states so pervasive and meddling they have dulled citizens' appetite for individual responsibility—all of which characterise Western economic systems.

In fact, it is laughable that so many people still believe we live in an unbridled capitalist economic system, yet the belief is widespread. Whatever measures one takes—volume of legislation, quantity of government spending, quantity of regulations, the size of the bureaucracy—the state is more pervasive than it has ever been outside wartime.

#### Why Jaydon Can't Read: The Triumph of Ideology Over Evidence in Teaching Reading

#### Jennifer Buckingham, Kevin Wheldall and Robyn Beaman-Wheldall

Policy 29:3 (Spring 2013), 21-32



The current entrenched rate of illiteracy among Australian children is unnecessary and avoidable. Poorly conceived government policies and university education faculties wedded to out-dated and unproven teaching methods have each contributed to the situation. Billions of dollars have been spent, only to have thousands of children complete school without the most fundamental skill required for a happy, productive life—the ability to read.

. . . Strong differences of opinion among educators on what constitutes effective methods of reading instruction have been dubbed 'the reading wars'—with proponents of phonics-based instruction on one side and 'whole language' instruction on the other. It is a false dichotomy, however.

## The East is Authoritarian: Why China Will Not Democratise

**Benjamin Herscovitch** *Policy* 30:1 (Autumn 2014), 13-17



The CCP is authoritarian and will not countenance any challenge to

one-party rule. But it is also willing to abandon past ideological verities, pull vested interests off the public teat, and undertake necessary reforms to consolidate its power and safeguard its political survival. This makes the CCP rule a form of 'accountable authoritarianism': the party will reform public policy where necessary to respond to public concerns and adapt to new economic, political and social challenges, while also jealously guarding its position of unrivalled political power.

In 1998, US President Bill Clinton castigated Beijing on its failure to live up to liberal ideals by suggesting that the regime was 'on the wrong side of history.' . . . But by continuing to pursue a moderate reformist agenda within the framework of one-party rule, the CCP may yet carve out an enduring place at the end of history for its own brand of accountable authoritarianism.

## As Australian as the Fair Go

#### Jeremy Sammut

Policy 31:1 (Autumn 2015), 19-24



Each year the Australian Human Rights Commission receives a few hundred complaints of racial

discrimination under the RDA [Racial Discrimination Act]. Given the nation's diversity, this is a tribute to our success in creating a largely tolerant society. The credit should not go to the RDA. The idea that the threat of legal action has kept the dark underbelly of racial hatred in check, and that the RDA is the proverbial thin blue line that keeps the country civilised, is patently absurd. Australian racism has been primarily conquered by self-regulating it out of Australian society through the development of an appropriate set of social manners consistent with the national egalitarian culture.

It is the RDA, and not the efforts to amend Section 18C, that is alien to the culture of tolerance in Australia. This is to say that if the RDA withers, and Section 18C is cut down as it should be, the 'fair go' culture that has made multi-racial Australia a success will persist . . . Tolerance, one might say, is as Australian as the fair go.

#### Living on Borrowed Time: The Trouble with Public Debt

#### Vito Tanzi

Policy 33:1 (Autumn 2017), 3-9

Very large fiscal multipliers are now assumed and operate over much longer time periods. Thus,



in the views of economists behind these new prospending theories, large expansionary fiscal policies should be sustained for much longer periods to fight stagnation. These economists seem to believe that we are now in a different fiscal world where old rules no longer apply.

# Sailing into a Storm Front: Unprincipled Democrats, *Pueri Robusti*and the Global Economic Order Wolfgang Kasper

Policy 33:1 (Autumn 2017), 33-41

The new crop of unconventional political actors will in all likelihood inflict economic harm. Students of *puer robustus* must therefore hope that the fourth (reformist) type will become dominant, at least in democracies. Students of history, however, are entitled to some doubts over whether political elites—and disaffected, distrustful voters—will allow constructive reforms. If opportunistic and mediocre leadership persists, Western democracies will remain locked into the Olsonian trajectory.

#### Between Declarations and Dreams: China, US Foreign Policy and Southeast Asia David Martin Jones

Policy 34:1 (Autumn 2018), 43-50



The China dream is, then, more than a regional vision. It envisages

Eurasian hegemony based on China's market heft and capital investment. European infrastructure projects follow a pattern road tested in Southeast Asia. Beijing incentivises Chinese state-owned enterprises and state-owned banks to fill gaps in EU financing and investment in south-eastern Europe in return for political support for Chinese positions on issues like human rights, Tibet or the South China Sea.