

Precis

The Centre for Independent Studies

THE CENTRE FOR
INDEPENDENT
STUDIES

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‘The times call for courage. The times call for hard work. But if the demands are high, it is because the stakes are even higher. They are nothing less than the future of human liberty, which means the future of civilization.’

Henry Hazlitt, *The Wisdom of Henry Hazlitt*, 1993.



The Centre for Independent Studies (CIS) is one of Australasia's leading public policy research and ideas institutes. Founded in 1976 by Greg Lindsay, the Centre's major concern is with the principles and institutions underlying a free and open society, with particular focus on Australia and New Zealand.

Our goals

- individual liberty and choice, including freedom of association, religion, speech and the right to property;
- an economy based on free markets;
- democratic government under the rule of law;
- an autonomous and free civil society.

Activities

- Research
- Publishing
- Lectures and seminars
- *Liberty & Society* student programme

Funding and independence

CIS is funded by private sector donations—from individuals, companies and charitable trusts—as well as subscriptions and book sales.

'Independent' in our name means:

- we are politically non-partisan
- research is not directed by our supporters

'We must make the building of a free society once more an intellectual adventure, a deed of courage. If we can regain that belief in the power of ideas which was the mark of liberalism at its best, the battle is not lost.'

F.A. Hayek

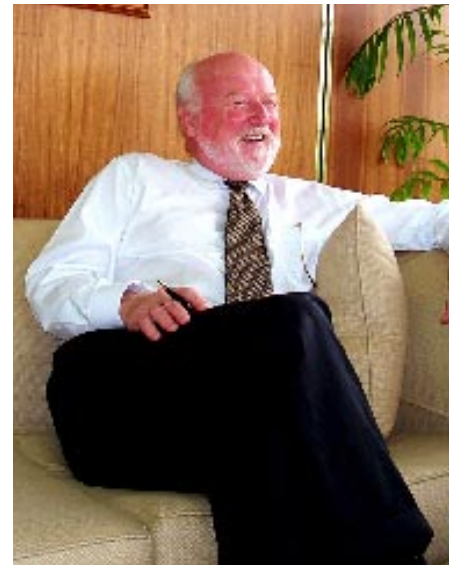
2003 surpassed all our expectations as a great year in the life of The Centre for Independent Studies. The dynamic programmes of the CIS are clearly evident when you read through the pages of this issue of *PreCIS*. What makes it all work so well? For starters we have a clear idea of the intellectual foundations upon which the Centre is built of which the keystone is individual liberty. These foundations have been constructed with the ideas of great minds which are then brought to bear on pressing issues of importance to the public, and then the public is made aware of them. A belief in the power of ideas (for good and evil as Keynes reminded us) is fundamental to the way CIS works. Ideas can change the world in which we live and their development, articulation and dissemination is at the heart of CIS work.

An important development in 2003 was the agreement for distribution of our flagship publication *Policy* to newsagents and bookshops around Australia and New Zealand. 'Think magazines' like *Policy* are not common, especially in Australia and to have it more widely available is very positive for the circulation of our ideas. Sales have exceeded budget and we are confident that this trend will continue.

I am delighted to advise that Dr Peter Farrell, Executive Chairman of ResMed (the highly successful Australian company which develops and manufactures diagnostic and treatment devices for the sleep disorder breathing market) has recently joined the Centre's Board of Directors. Dr Farrell is a Visiting Professor at the Centre for Biomedical Engineering at the University of New South Wales (where he was previously Foundation Director), and in 2001 was named the Australian Entrepreneur of the Year.

The John Bonython Lecture this year will be held in October (date to be confirmed) featuring the noted American writer and commentator on international affairs Robert Kagan. His lecture will continue the tradition of the last few years where international and security issues have been highlighted with Francis Fukuyama and Josef Joffe. This of course reflects the more troubled times we face internationally than at any time in the past generation. One consequence of this has been the establishment of a foreign policy programme at CIS which will be developed throughout 2004 as funds are raised. We consider this to be the important third leg of our policy work. Susan Windybank who has edited *Policy* for the past four years will be moving mid year to focus her attention on this programme with the support and advice initially of CIS Senior Fellows Owen Harries and Helen Hughes. The success of our work on the Papua New Guinea and the Pacific in the past year shows what CIS is capable of in this new area for us.

Along with the John Bonython Lecture, a number of other annual public events have become firm fixtures. These are the Acton Lecture on Religion and Freedom, (to be delivered this year in May by Dr Samuel Gregg), the 'Big Ideas' Forum to be held in August and the Centre's public policy conference Consilium in late July. The ongoing, but irregular series of CIS lectures will also be enhanced during 2004 and supporters of the Centre will be advised of these in due course. All these activities are very much focussed on enhancing the Centre's intellectual endeavours and are key components of our programmes.



Executive Director
Greg Lindsay

Greg Lindsay

CIS Chairman Alan McGregor AO receives Distinguished Fellow award

CIS is proud to announce that long-time friend and supporter, Alan McGregor AO, Chairman of CIS board of directors, has been named a CIS Distinguished Fellow. In 1996, the Centre established a special category of supporters who, in various ways, have been significant contributors to CIS and its work, and it is this group of distinguished individuals that Mr McGregor now joins. A full list of distinguished fellows is published on the inside back cover of this publication.



Consilium 2003

7-10 August • Hyatt Regency Coolumb, Queensland

THE CIS ANNUAL public policy conference, Consilium, is a unique forum for leading decision makers to present and debate big-picture issues facing Australia and the world.

Consilium 2003, the fourth conference to date, brought together '160 top business executives, politicians, academics and bureaucrats, a veritable elite coming together with a common purpose: to talk ideas' (Brad Norington, *The Sydney Morning Herald*, 11 August, 2003).

On the agenda were current policy concerns, such as crime and the need for strategic, preventative policing, the burgeoning biotechnology revolution and its political consequences, and a re-examination of the post-Iraq world and the role of the United States both in the Middle East and globally.

The opening speech at the scenic Hyatt Regency Coolumb on Queensland Sunshine Coast was presented by Treasurer Peter Costello, who also took part in the international finance session alongside Ian Macfarlane, Governor of the Reserve Bank of Australia.

Other speakers included Federal Minister Alexander Downer, Former Prime Minister of Papua New Guinea Sir Mekere Morauta, and Federal Shadow Minister Kevin Rudd on 'the arc of instability' and the mounting problems in the Pacific. Political instability, poor governance, unemployment, and lack of health and education are endemic, requiring solutions specific to each area. Papua New Guinea, for example, must be committed to a reform agenda which would arouse new questions over the kind of support that Australia could offer.

The idea of 'the West' is shifting, and though the rift between Europe and America becomes more apparent, leading US classicist Professor Victor Davis Hanson argued such splits are not new. He defined the West to be an enduring set of values adhering to open markets, consensual government, but with space for both secularism *and* religiosity. International theorists, Dr Josef Joffe, Publisher-Editor of *Die Zeit*, and Professor Claudio Veliz from Boston University were joined by the Australian Minister for Employment and Workplace Relations Tony Abbott, and historian Geoffrey Blainey.

'Lindsay says that each year he likes to come up with a theme that attendees "might never have thought about". And often that is what grabs the most interest.'

Rowan Callick, *The Australian Financial Review*, 16-17 August, 2003



20th Annual John Bonython Lecture

5 August • Gulliver Unbound: Can America Rule the World?



Dr Josef Joffe is Publisher-Editor of the German weekly *Die Zeit* and Contributing Editor of *Time* (Intl.), and has lectured at Harvard, Stanford and other distinguished universities and research centres in both the United States and Europe. His work has appeared in books and in journals such as *Foreign*

Affairs, *The National Interest*, *International Security* and *Foreign Policy*, *Prospect* (London), *Commentary*, *New York Times Magazine* as well as professional journals in Germany, Britain and France. His most recent book is *The Future of International Politics: The Great Powers* (1998).



Hugh Morgan, CIS Chairman Alan McGregor and Dr Josef Joffe

TWENTY-FIRST CENTURY America is the Gulliver of our times. The global reach of its political, military, economic and cultural power is unprecedented, and seemingly beyond challenge. Yet can America rule the world? How will American actions affect both global politics and America itself, if they are unconstrained by diplomatic ties and international institutions?

These were some of the questions answered by renowned strategic policy analyst Josef Joffe in the 20th Annual John Bonython Lecture, held in Sydney's Sheraton on the Park on Tuesday 5 August.

Joffe warned that despite its dominance, any attempts by the United States to 'go it alone' would be a recipe for its own demise. History and theory suggest that great power begets counter power, usually by way of coalitions and alliances among the lesser players.

As a result, Joffe was deeply critical of the Rumsfeld Strategy expressed by America's unilateral action in Iraq, which has increased incentives for hostile coalitions to discipline the superpower and will be costly for America in the long run.

According to Joffe, the United States must exercise power with caution and return to the 'Golden Age' of American diplomacy. By creating international institutions and investing in international public goods, the United States would secure its position by serving the needs of others.

This lecture is published as Occasional Paper 85 and is available online from the CIS website www.cis.org.au

The Acton Lecture on Religion and Freedom 2003

19 November • Christian Morality and Market Capitalism: Friends or Foes?



Professor Ian Harper holds the Sidney Myer Chair of Commerce and Business Administration at the Melbourne Business School, and is Lay Reader of the Anglican Church.

He also consults to governments and the corporate sector, and has published research papers on the effects of financial deregulation, the economics of saving, and the future of Australia's health insurance system.



Professor Ian Harper, Gordon Preece, CIS Executive Director Greg Lindsay and CIS Board member Steven Skala

IS IT POSSIBLE to be both a practising Christian and a strong supporter of market capitalism? This question was posed and answered at the Acton Lecture on Religion and Freedom, delivered by distinguished Australian academic Professor Ian Harper.

The Acton Lecture examines the contribution of religion to free societies, and is delivered annually by eminent individuals from all faiths and denominations.

Some would argue that Christian morality and market capitalism are incompatible. Recent corporate misdemeanours of companies such as Enron, HIH and Anderson seem to support the view that markets can corrode ethical behaviour, and foster self-centred pleasure seeking, excessive individualism, and materialism—values eschewed by Christians.

Not necessarily, according to Professor Harper, as there is nothing morally suspect about market capitalism *per se*. Despite its faults, capitalism has brought about enormous improvements in the world's wealth and prosperity.

The real problem is the erosion of a widely acknowledged and shared system of moral values.

Just as those who support market capitalism should search for moral foundations to govern conduct, Christians must acknowledge that market capitalism is not an immoral pursuit.

This lecture is published as Occasional Paper 87 and available online from the CIS website www.cis.org.au

CIS Events

Competing Family Models, Competing Social Policies • Catherine Hakim

27 February, 2003 *Sydney*

THE DECLINING FERTILITY and family policy debate has been dominated by the issue of compulsory paid maternity leave. This policy, if introduced, would only benefit mothers in full-time employment. CIS broadened the debate by hosting a lecture by Catherine Hakim, ground-breaking academic and family policy expert from the London School of Economics. She stressed the need to diversify family policy to accommodate different family lifestyle choices, and benefit both stay-at-home and working mothers equally. Hakim's work is highly regarded throughout the world as having debunked the idea that women, for policy purposes, can be defined as a single homogenous group. Columnist Bettina Arndt introduced the lecture, which generated a wide range of questions and discussion from the audience.



Peter Saunders, Catherine Hakim and Bettina Arndt following the lecture

Is There a Better Way? Health, Education and Welfare in the 21st Century • Sir Roger Douglas

12 June, 2003 *Sydney*

AS NEW ZEALAND Labour government's Minister of Finance between 1984 and 1988, Sir Roger Douglas was responsible for the radical reforms which liberalised the economy and improved living conditions for New Zealanders. As CIS is resurrecting the debate on the future of welfare on this side of the Tasman, Sir Roger's discussion of how to reduce the burden of taxation, increase people's responsibility for looking after themselves, and improve their quality of life, was a timely contribution to the welfare debate.



Peter Saunders and Sir Roger Douglas discuss the future of the welfare system

Preventative Policing: How the Community Can Help • Nicole Billante

25 June, 2003 *Sydney*

BEFORE RETURNING to New Zealand to study, research assistant Nicole Billante delivered her last CIS lecture on the value of effective preventative policing, that is, tackling crimes before they occur. Australian police can learn valuable lessons from crime control initiatives in New York and the United Kingdom, which suggest that a visible police presence in crime 'hot spots', targeted arrests and increased police resources are key to reducing crime. As police numbers in Australia are unlikely to increase significantly, Billante recommended the trial of Community Support Officers, individuals who are trained to deal with minor disorders allowing police to focus more effectively on serious crime.

The lecture was based on Billante's *Issue Analysis* No. 38, 'The Beat Goes on: Policing for Crime Prevention'



Roundtable discussion with Victor Davis Hanson on Ancient Greece

5 August, 2003 *Sydney*

IN KEEPING WITH our tradition of thinking outside the square, CIS was proud to host an out of the ordinary seminar on ancient Greece by renowned American classicist and author, Victor Davis Hanson. The seminar revealed undercurrents in today's society and politics which have origins in antiquity.

from left: Greg Lindsay, Victor Davis Hanson and Greg Melleuish

Big Ideas Forum • Victor Davis Hanson, Pramit Pal Chaudhuri, Paul Kelly, Owen Harries

11 August, 2003 *Melbourne*



THE FRACTURING OF THE WEST was the topic of debate during the annual CIS Big Ideas Forum on 11 August. American classicist Victor Davis Hanson, Foreign Editor of the *Hindustan Times*, Pramit Pal Chaudhuri and *The Australian* Editor-at-Large, Paul Kelly, made up the debating panel, with CIS Senior Fellow Owen Harries chairing the seminar.

The difference in approach over the war in Iraq is the latest in a long line of fractious events in the recent history of the West, which have called into question the idea of the West as a homogenous whole, united by a common history, values and institutions. The speakers questioned whether the differences between America and Europe were exaggerated or would eventually form an incontrovertible rift between the two continents.

A full transcript is available from the CIS website.

Lunch with United States Ambassador to Singapore, Frank Lavin

12 August, 2003 *Sydney*

UNITED STATES AMBASSADOR to Singapore, Frank Lavin, visited CIS in August to meet with Greg Lindsay, Owen Harries and CIS supporters.

Speed Traps: Saving Lives or Raising Revenue • Alan Buckingham

29 October, 2003 *Sydney*

THE MOST controversial event of 2003 was Alan Buckingham's lecture on the efficacy of speed cameras—are they genuine attempts to lower road fatalities or government money spinners? Based on his article in the Spring issue of *Policy* magazine, Buckingham argued that most speed cameras should be removed because they have not significantly reduced road fatalities. Increasingly stringent digital speed cameras do not penalise the highest risk drivers—namely dangerous, negligent and drunk—and have undermined the goodwill between police and motorists. Buckingham received overwhelming support for his findings from the audience, motoring associations, politicians, journalists and road safety experts, and sparked ongoing public debate.



Policies for Low Cost Home Ownership • Peter Williams

18 November, 2003 *Sydney*



from left: David McElhone, Peter Williams, Greg Lindsay and Peter Saunders

PETER WILLIAMS' analysis of the property market boom and detailed proposals for affordable housing could not have come at a better time—Australia's house prices continue to rise, pushing home ownership beyond reach for many prospective first time buyers. Government schemes like the First Home Owner's grant, designed to make housing more affordable, have only driven prices higher by further boosting demand. As Deputy Director General of London's Council of Mortgage Lenders, Dr Williams has devoted most of his life to housing policy and practice in the UK and is one of the foremost experts in the field.

Boy Troubles: Research and Rhetoric about Boys' Education • Jennifer Buckingham

25 and 26 November, 2003 *Wellington and Auckland, New Zealand*

BOYS IN NEW ZEALAND'S schools are disadvantaged by current teaching practices which are more suited to girls, and while governments turn a blind eye, boys' educational performance declines. Changes in the community and family structures have also influenced the development of boys education, as Buckingham has analysed in her well-received book, *Boy Troubles: Understanding Rising Suicide, Rising Crime and Educational Decline* (CIS, 2000). In schools, teaching strategies need to encourage boys' achievement and participation with the support of the local community.



A Self Reliant Australia: Welfare Policy for the 21st Century • Peter Saunders

9 December, 2003 *Sydney*



IN THE FINAL lecture for 2003, Peter Saunders tied together CIS research on welfare and tax reform, citing the startling statistic that in 1960, there were 22 employed workers for every one person reliant on welfare payments and today, the ratio is just five to one. Urgent reform of the Income Support system, deregulation of the labour market and lowering the tax free threshold to leave more money in the hands of ordinary Australians would encourage self-sufficiency and end welfare dependency.

This lecture was accompanied by CIS Occasional Paper 86, *A Self-Reliant Australia*, which is available from the CIS Online Bookshop.

CIS Media Lunches

CIS media lunches provide opportunities for key media professionals to hold discussions with visiting international scholars. In August 2003, CIS hosted lunches with Dr Josef Joffe, Pramit Pal Chaudhuri, and Victor Davis Hanson.

In-house forums

The Roundtable on SPEED CAMERAS AND ROAD SAFETY was held on 29 October, bringing together conflicting and often impassioned views. All participants, however, reached consensus in their belief that improving driver culture was key in reducing the death toll on Australia's roads.

On 20 and 24 November, CIS held the TAX REFORM ROUNDTABLES with participants presenting a number of working models to reduce the burden of taxation. One innovative proposal outlined a taxation system involving splitting incomes between family members to reduce their overall tax.



Participants at the Tax Reform Roundtable

To review and canvass debate on the Pacific in light of dramatic events in the region, the PACIFIC ROUNDTABLE was held on 8 December. Participants analysed the effectiveness of Australia's military intervention in the Solomon Islands, and, more broadly, discussed proposals to fast-track recovery of the ailing Pacific. An *Issue Analysis* outlining these proposals will be published in 2004.

Liberty and Society

Shaping the future of liberal thought in Australia and New Zealand



Ross Parish Essay Competition Winners

CIS is proud to announce the winners of the inaugural Ross Parish Essay Competition, and would also like to thank everyone who participated. The question, 'Can we preserve liberty in an age of terrorism?' elicited varied and interesting responses of a very high standard. The essays by the winning writers are available on the CIS website.

Congratulations to:

Nicholas Southwood (ACT) • First Prize • \$1,500
John Humphreys (ACT) • Second Prize • \$1,000
Andrew Nicol (WA) • Third Prize • \$500

Due to the high level of interest, CIS will now host the competition annually which will be open to anyone between 18 - 30. The topic and date of the 2004 competition will be announced on the CIS website.



Greg Lindsay presents the certificate for Second Prize to John Humphreys

LIBERTY AND SOCIETY (L&S) conferences continue to be enthusiastically received by student and lecturer alike.

'L&S is a unique opportunity to explore ideas with a diverse array of people in a relaxed yet intellectually vigorous environment.' (John Molloy)

'The conference was one of the most exhilarating, insightful and profoundly enjoyable experiences, having a priceless impact on my personal and professional development as a doctor.' (Mariolyn Raj)

In 2003, two introductory Liberty and Society conferences were held in Sydney and, for the first time, in Auckland, New Zealand (see PreCIS 2003, August issue for more detail).

The Advanced L&S conference in Sydney was invaluable, involving attendees from the Introductory L&S who have continued their interest in policy and are now working in positions where their opinions count. Taking part were a journalist, a policy advisor at the Australian Strategic Policy Institute, an advisor for the Takeovers Panel at the Victorian Treasury, a Media and Government Relations Advisor for the Rural Doctors, PhD students, doctors, lawyers and would-be politicians.

At the Advanced L&S, lecturers delve more deeply into topics such as classical liberal thought, economics and law, and participants are also invited to present their own research papers for discussion and critique. Participants share and develop ideas on practical policy issues, with a strong emphasis on how the ideas of liberalism and freedom can be communicated to a wider audience.

We are indebted to a number of wonderful lecturers who see the value of the programme and willingly give up their weekend to spend with students. We also have had a variety of after dinner speakers who support the programme such as Peter Ruehl, Hon. Nick Greiner, Hon. Tony Abbott, Mark Latham and Paul Kelly.

L&S conferences have been running for eight years and we believe that each conference inspires young people in the world of ideas and profoundly influences about a quarter of each group in the longterm. A good indication is the number of participants who have kept in contact with CIS and continue to express interest in the concepts of liberty, freedom and the free market. Many attend lectures and functions held by CIS and encourage others to attend.

The careers of L&S alumni are starting to flourish and within their professions they are actively promoting free enterprise, community involvement and individual choice. As a result, L&S looks set to have a substantial effect on the intellectual, business and political life of Australia in the years to come.

Social Foundations

THE *SOCIAL FOUNDATIONS* programme covers four core areas of social policy: families, education, social welfare and 'civil society' (where the main emphasis has been on problems of crime and incivility). The aim is to document contemporary trends, to analyse their causes and consequences, and to develop new policy proposals grounded in the principles of classical liberalism.

The programme's research team comprises of Peter Saunders (Director and welfare policy specialist), Jennifer Buckingham (education), Barry Maley (family) and Kayoko Tsumori (labour markets). Nicole Billante (crime and policing) left CIS in July and has been replaced on a part-time basis by Caspar Conde.

The team achieved a high public profile over the last year and played an active role in informing and influencing policy debates. They were often the lone voice advocating policies based on the principles of personal liberty and individual responsibility, and explored alternatives to the big government solutions so often favoured by the social policy establishment. In addition to publishing several key books and papers, the team outlined their ideas in newspaper articles, were broadcasted on radio and television, participated in academic and professional conferences, made submissions to government inquiries and discussed policy proposals with politicians, public servants and policy professionals.

• Government inquiries: Making the case for reform

The CIS made detailed submissions outlining policies for welfare, tax and labour market reform to three governmental inquiries during 2003: the Department of Family & Community Services consultation on welfare reform, the Senate Inquiry into poverty, and the House of Representatives Standing Committee on Employment & Workplace Relations Inquiry into Increasing Participation in Paid Work. These submissions argued that economic hardship is best countered by paid employment rather than by increasing people's dependency on welfare. Proposals were tabled for reforming the Income Support system (to encourage people to move from welfare dependency to self-reliance) coupled with income tax changes (to improve work incentives) and labour market reforms (to increase the number of jobs available to people leaving welfare).

• Policy Seminars: Thrashing out policy alternatives

The case for reforming tax and family payments was vigorously pursued last year. Two members of the Social Foundations team visited Canberra to brief federal MPs on CIS proposals, and two roundtables on tax reform were held in Sydney and Melbourne. CIS researchers argued for raising the tax-free threshold above the level of the welfare floor to reduce 'churning' of tax and welfare payments, and for replacing current payments and allowances with a flat-rate Child Tax Allowance.

In other areas, CIS staff addressed the Police Federation National Executive meeting in Canberra on crime, penal policy and policing, and spoke at the Australian College of Educators, on publicising school performance indicators. We also participated for the third year on the panel for *The Australian's* Best Schools series, and consulted with employer organisations on labour market reform.



from left: Peter Saunders, Nicole Billante, Kayoko Tsumori and Barry Maley (absent: Jennifer Buckingham)



Sir Roger Douglas led a workshop at the Centre's offices when he visited



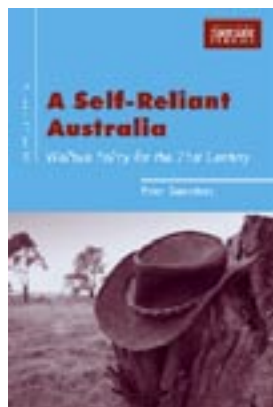
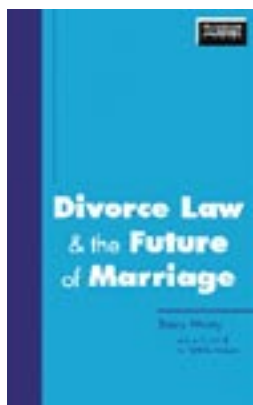
Participants at the Tax Reform Roundtable in Melbourne



John Silvester entertained participants with a lively presentation at Consilium



Jennifer Buckingham in New Zealand



• Conferences and lectures: Spreading the word among professionals

The Social Foundations team also participated in high profile conferences in both Australia and New Zealand, sharing ideas with influential policy professionals and politicians. In Australia, we delivered papers at the Australian Institute of Family Studies conference, the Social Entrepreneurs Network Canberra summit, the Australian Social Policy Conference, the Australian Family Association's Annual Conference, the annual conference of the Police Association of South Australia, and the Second Economic and Social Outlook conference sponsored by *The Australian* newspaper and the Melbourne Institute. In New Zealand, CIS analysts spoke at the second 'Knowledge Wave' conference, the National Party annual conference, the New Zealand Education Forum and the Maxim Institute.

In addition, lectures were delivered to the UNSW College of Fine Arts Festival, the RMIT social policy seminar, the H.R. Nicholls Society AGM and the Hugo Group's CEO retreat in New Zealand.

Consilium included a session on crime, imprisonment and policing policies, and public lectures were also hosted in Sydney, Auckland and Wellington (see events section for more details).

• Publications: Getting ideas into print

Social Foundations research formed the basis of several ground-breaking publications in 2003. Jennifer Buckingham's *Schools in the Spotlight: School Performance Reporting and Public Accountability* set out a compelling case for allowing parents access to detailed school performance data, and identified how comparative measures could be made to work. Barry Maley's *Divorce Law and the Future of Marriage* reviewed the negative consequences of the 1975 Family Law reforms and proposed that fault should be reintroduced, not as grounds for divorce, but as a factor in the eventual settlement. In *A Self-Reliant Australia: Welfare Policy for the 21st Century*, Peter Saunders showed that a mass welfare state is no longer needed, setting out proposals for reforming unemployment, disability and parenting payments to reduce dependency. Modelled on successful Australian editions, Jennifer Buckingham and Nicole Billante produced a New Zealand edition of *State of the Nation*.

CIS also published articles on welfare, penal policy and the role of government in *Policy*, and produced eight *Issue Analysis* papers on topics including policing, Income Support, tax credits, the award system, divorce law reform and the debate over the importance of school class sizes.

In a new departure, CIS arguments were supported by two public opinion surveys, compiled for CIS by ACNielsen and covering welfare, tax, family, crime and education issues.

• Media Output: Informing the public

The news and electronic media relied heavily on Social Foundations researchers, bringing their ideas and arguments to a wider audience in 2003. Researchers made six television appearances (on the ABC, Channel 7, Channel 10, and Sky), over 100 radio appearances, and published 30 opinion pieces in leading newspapers including *The Australian*, *The Australian Financial Review*, *The New Zealand Herald* and *The Sydney Morning Herald*.

The CIS website

Opinion pieces, lectures, the Issue Analysis series and the CIS Online Bookshop are available at www.cis.org.au

Foreign Policy and International Relations

CIS leads debate on the Pacific's future

IN DECEMBER 2002, CIS held a small workshop on Papua New Guinea (PNG). The objective was to raise awareness of the chronic economic, political and social problems facing PNG and to stimulate debate on what Australia can do to help. Two reports emerged from the workshop: *Papua New Guinea On the Brink* and *Aid Has Failed the Pacific*. Both received an enormous amount of local, regional and international coverage, and helped lead to a change in how Australian policymakers think about the Southwest Pacific (for more detail, see PreCIS, August 2003).

Having started the debate, the task for CIS is to ensure that it stays on track. There is a lack of understanding about the root causes of the Pacific's decline and how aid has inadvertently contributed to the region's problems. The Australian-led intervention in the Solomon Islands and the deployment of Australian police and other government officials to PNG have been justified on the premise that preventative action is better and cheaper in the long run, but past mistakes must be avoided if such interventions are to be successful. New thinking about development strategies that will put Pacific island countries on the path to economic growth and political stability is crucial. The alternative is a region bristling with Australian forces, and a fresh cycle of dependency that will not lead to lasting peace.

In December 2003 we held a follow-up workshop to assess how far the debate has moved one year after the first seminar. Our goal is to produce a comprehensive report—the third in our Pacific series—on the economic (and hence political) viability of Pacific islands countries. It will explore options for PNG and Fiji as viable countries in their own right, economic union or adoption of western currencies for the smaller Pacific countries, and 'federation' possibilities that will simplify and reduce the costs of government, not create vast new bureaucracies. A second seminar was held in Canberra in late February for feedback on a draft version of the third paper from the relevant government departments and Pacific academics.

Owen Harries delivers the 2003 Boyer Lectures

The repercussions of global events such as September 11 have spurred many conflicting theories about the nature of the international system and its future. Are we entering an increasingly conflictual era marked by the clash of civilisations, as Samuel Huntington has argued? Or is the world becoming more peaceful and homogenous, united by globalisation, the spread of democracy, and the leadership of the United States, the world's first and only superpower?

Harries discussed the salient features of this comparatively new phase of world politics in his presentation of the Boyer Lectures between 16 NOVEMBER and 21 DECEMBER. These prestigious lectures have been broadcast annually on ABC Radio National for more than 40 years, and have featured many prominent Australians who have explored major social, scientific and cultural issues facing this country.

As the defining feature of international politics, America's unprecedented power and its impact on world affairs featured prominently in the series of six insightful lectures.

Harries' unique perspective is informed by his professional and academic involvement with politics, history, diplomacy and global affairs. Currently a CIS Senior Fellow, Harries was the Editor-in-Chief of the renowned US-based foreign policy journal, *The National Interest*.

Extracts of the Boyer Lectures were published weekly in *The Age* and *The Sydney Morning Herald*, and quoted extensively in all major Australian papers.

Transcripts of the lectures are available on the ABC website, at www.abc.net.au



Participants at the Pacific Roundtable



'One of the effects of September 11 was that it shifted the balance ... away from prudence and moderation toward conceptual boldness and an ambitious, assertive use of American power. Within a year the "war on terror" had metastasised into something much grander and more radical; the profound belief, that is, that the American people and their country are destined to reshape the world.'



Owen Harries

Higher Education

University reforms mix prices with added regulation

THE HIGHER EDUCATION debate took an unexpected turn after the government introduced its reform legislation. It proposed an enormous increase in government control, prompting the CIS's higher education policy analyst, Andrew Norton, to reverse his previous qualified support for the government's package. This became public during his appearance before the Senate inquiry into the reforms. The bill contained too much government control even for Senator Kim Carr, who told Norton that 'we have waited a long time for you and I to agree on anything'.

Subsequently Norton wrote several media articles explaining why the legislation should be less prescriptive. While the final legislation, passed in early December, improved on the original bill, Australia's university system remains highly regulated. From 2005, the Commonwealth will impose a more rigid quota system, controlling total student numbers more tightly and reducing flexibility in moving student places between disciplines. This step backwards needs to be balanced against the creation of a limited price signal between students and universities, which the old HECS tax did not provide.

In 2004, research will continue to analyse developments in the higher education sector and advocate a less regulated system.

Economic Reform and Public Opinion

Optimism about the future prevails

In the Summer issue of *Policy*, Andrew Norton looked at claims that under economic reform people think that quality of life in Australia is getting worse. These opinion polls, however, are inconsistent with polls asking people about their future, where the results are invariably positive. His article explains why people take such a dim view of what is happening to others, how comparisons between points in time result in distorted results, and how people believe employment is much less secure than is really the case.

A full analysis of economic reform and public opinion will be published in 2004.



Economics

Secure property rights crucial to Australian prosperity

CIS Senior Fellow Wolfgang Kasper has continued to place pressure on reform weary governments and opinion leaders to reduce excessive spending, regulation, and the unacceptably high burden of taxation. *Economic Freedom Watch* (EFW) Nos. 4, 5 and 6, were published in 2003, monitoring standards of economic freedom in Australia.

Australia's generally high standard of the rule of law, the protection of private property rights, and the freedom to compete have been jeopardised by the high burden of government, over-regulated labour markets, and growing environmental interventionism at local, State and federal levels. Hence, economic freedom has deteriorated markedly.

Kasper's *In Defence of Secure Property Rights*, released as Occasional Paper 84, was published in August, emphasising the vital link between individual freedom and the right to own property, now threatened by costly government regulation. This report was based on his presentation at the Canegrowers and Queensland Farmer's Federation Property Rights Forum earlier in the year, which received incredible support from participants and extensive media coverage from the rural and Queensland press.

Occasional Paper 86 and *Economic Freedom Watch* are available online.



Issue Analysis

Getting It Right Some of the Time: An Appraisal of the Report on the Inquiry Into the Education of Boys

Jennifer Buckingham • Issue Analysis 27

HAVING drawn public attention to the remarkable differences between boys and girls in statistics on educational outcomes that eventually led to a parliamentary inquiry into boys' education, Buckingham evaluates the inquiry's recommendations in this paper.

Poor Laws (2): The Minimum Wage and Unemployment

Kayoko Tsumori • Issue Analysis 28

TSUMORI argues that, counterintuitive as it may seem, a high minimum wage destroys rather than protects jobs and is yet another excessive labour market regulation.

The Missing Links: Class Size, Discipline, Inclusion and Teacher Quality: A Response to the Vinson Inquiry and Reflections on Class Size and Teacher Quality (New Zealand version)

Jennifer Buckingham • Issue Analysis 29 and 29a

REDUCING class sizes in schools would not necessarily improve education. Smaller classes would require more teachers, yet it is more valuable to have good teachers than lots of teachers.

Papua New Guinea On the Brink

Susan Windybank and Mike Manning • Issue Analysis 30

THIS paper helped put Papua New Guinea back on the map, so to speak, in Australia and sparked enormous debate in Port Moresby. The authors warn that unless there is a sharp change in direction, Australia's largest and closest neighbour will become a 'failed state' like the Solomon Islands.

The Thinning Blue Line

Nicole Billante • Issue Analysis 31

THE NUMBER of police is not sufficient to combat the increase in crime over the past 40 years. Though American evidence shows that more police can reduce crime, Billante argues that asking for more police alone is not enough; there must also be a review of how police are being used.

Student Debt: A HECS on Fertility?

Andrew Norton • Issue Analysis 32

OPPONENTS of university fees recently linked declining fertility to student debt in an attempt to justify lower charges under the Higher Education Contribution Scheme (HECS). But evidence suggests that university educated people have fewer children whether they are paying HECS or not.

Aid Has Failed the Pacific

Helen Hughes • Issue Analysis 33

THIS FOLLOW-UP to *Papua New Guinea On the Brink* led to widespread calls for major changes to Australian aid policy, providing a statistical account of the failure of the Pacific to develop over the last 30 years despite the inordinate amounts of foreign aid which have been poured into the region.



'Those fighting for free enterprise and free competition do not defend the interest of those rich today. They want a free hand left to unknown men who will be the entrepreneurs of tomorrow...'

Ludwig von Mises

An Inheritance of Freedom

CIS' mission is to create a strong civil society in which liberty is paramount, families and education are valued, economic freedom and property rights are assured and individual responsibility and initiative are encouraged.

Making a bequest to The Centre for Independent Studies is an investment in promoting a free society for present and future generations.

It is a way of sustaining an independent voice and helping to secure the type of society you want your descendants to inherit.

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Michael in a Muddle: Michael Pusey's Bungled Attack on Economic Reform

Andrew Norton • Issue Analysis 34

IN A 'consumer warning' against the well-publicised book *The Experience of Middle Australia*, Norton reveals fatal errors of fact and logic that undermine author Michael Pusey's central claim that economic reforms since the early 1980s have had seriously detrimental effects on Australian society.

Is the Earnings Credit the Best Way to Cut the Dole Queues?

Kayoko Tsumori Issue Analysis 35

AN 'EARNINGS CREDIT' scheme in Australia to combat the stubborn nexus between joblessness and welfare dependency may actually *increase* rather than *decrease* the dole queues, for evidence from similar schemes in the United States and United Kingdom show that the employment effects are not necessarily positive.

The Tender Trap: Reducing Long-Term Welfare Dependency by Reforming the Parenting Payment System

Peter Saunders and Kayoko Tsumori Issue Analysis 36

SAUNDERS AND TSUMORI outline a proposal to move lone parents whose children are at school off welfare and into work as part of a broader strategy of poverty eradication. The current system, which pays parents to stay at home on welfare until their child is 16, is counter productive for claimants and does not provide a positive role model for children.

Two Steps Forward, One Step Back: Dr Nelson Mixes Price Flexibility with Rigid Quotas

Andrew Norton Issue Analysis 37

EDUCATION MINISTER Dr Brendan Nelson's proposed reforms of higher education will improve the quality of Australian higher education through increased investment and competition. However, the government's attempt to introduce more rigid controls on the allocation of student places is a step backward.

The Beat Goes On: Policing For Crime Prevention

Nicole Billante Issue Analysis 38

A VISIBLE POLICE presence in the community and increased police resources must form a key part of crime prevention in Australia. Successful policing initiatives in the United States and Britain hold valuable lessons for Australia if it is to reduce the escalating crime rate.

Reforming Divorce Law

Barry Maley Issue Analysis 39

Current divorce law has contributed to the high divorce rate by eroding confidence in marriage and introducing perverse incentives for behaviour such as spouse exploitation. Maley's divorce law reform proposal advocates divorce by mutual consent and opens the possibility for marital misconduct to influence a divorce settlement.

How to Reduce Long-Term Unemployment

Peter Saunders and Kayoko Tsumori Issue Analysis 40

Australia should follow the lead of most other OECD countries and introduce a six month time limit on unemployment benefits to dramatically reduce long-term unemployment. Such a change would improve the incomes and the quality of life of those leaving welfare.

Poor Laws (3) How to Reform the Award System and Create More Jobs

Peter Saunders and Kayoko Tsumori Issue Analysis 41

The award system is detrimental to many Australian businesses and industries, contributing to low productivity, job losses, and business closures. The report sets forth a proposal to create a more decentralised, flexible system which would boost productivity and job creation.

Books

Schools in the Spotlight: School Performance Reporting and Public Accountability

Jennifer Buckingham • Policy Monograph 59

The lack of publicly available information on the performance of Australian schools is harmful to students, for it allows low-performing schools to provide substandard education without scrutiny and fosters a culture of low expectation. Buckingham's proposal to release school performance to the public would allow parents to make informed choices about the best school for their child, by accurately identifying schools' strengths and weaknesses.

Divorce Law and the Future of Marriage

Barry Maley • Policy Monograph 58

The culmination of several years of research on the negative effects of divorce law on family and marriage, Maley's book demonstrates the way divorce law is discouraging people from marrying by making it easy to end a marriage for self-interested reasons. Maley makes extensive policy recommendations which could restore the status of marriage as well as just outcomes when divorce is inevitable.

State of the Nation New Zealand

Nicole Billante and Jennifer Buckingham • Special Publication 5

Following on from the well-known Australian series, *State of the Nation New Zealand* traces and analyses the profound social and economic changes occurring over the past century, painting a definitive picture of life on the island today, and showing where opportunities for reform lie.

Christian Morality and Market Capitalism: Friends or Foes?

Professor Ian Harper • Occasional Paper 87

In the 5th Annual CIS Acton Lecture on Religion & Freedom, Professor Ian Harper explores the moral basis of market capitalism—its strengths and weaknesses—and defends the view that there is nothing morally suspect about market capitalism *per se*. Please see the events section for more detail.

A Self-Reliant Australia: Welfare Policy for the 21st Century

Peter Saunders • Occasional Paper 86

The welfare state in Australia is counterproductive, pushing more and more Australians into welfare dependency. Most people could afford to save for their retirement, education or to insure themselves during periods of unemployment, if only they were not being taxed so heavily. Saunders outlines a strategy for welfare reduction, by reforming the system of Income Support, increasing job opportunities, and tax reform to leave more money for Australians to do with however they see fit.

Gulliver Unbound: Can America Rule the World?

Josef Joffe • Occasional Paper 85

America currently enjoys an unparalleled degree of dominance—economically, culturally, militarily, and politically. Can this hegemony last? How should America use this power? What kind of limitations exist to curb its might? This paper is taken from the John Bonython Lecture 2003. Please see the events section for more details.

In Defence of Secure Property Rights

Wolfgang Kasper • Occasional Paper 84

This paper outlines a brief history of property rights and tracks the disturbing increase in interventionist regulations placed on owners (particularly in rural areas), limiting their authority and placing prohibitive costs on their enterprises. Kasper reiterates the value of secure property rights to a growing economy.

Islam in Pluralist Indonesia: Challenges Ahead

Mohammad Fajrul Falaakh • Occasional Paper 83

Noted Indonesian academic Mohammad Fajrul Falaakh discusses the importance and interpretations of *Shariah* (Islamic law) and asks whether Islam and secularism can co-exist in a pluralist democracy. This paper is taken from the Acton Lecture on Religion and Freedom, 2002. Please visit the CIS website for more details.



Policy

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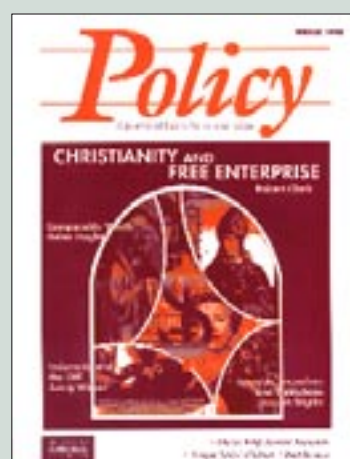
AS *POLICY* enters its 20th year of publication, we are delighted to report that we have negotiated distribution with Gordon & Gotch so that the magazine is now available from selected newsstands nationwide as well as selected bookshops in New Zealand. We made some design changes to coincide with this distribution deal, but while it may look different, *Policy* will continue to contain the same quality content on issues and ideas that has made it the preferred forum for leading thinkers since 1984.

Newsstand sales to date have been promising and subscriptions were also up in 2003. However, more will need to be done to market the magazine in 2004. Mainstream media interest is one way of boosting our profile, and 2003 did not disappoint. Not an issue goes by without at least three articles picked up by the media, but the reaction to the cover story on speeding and speed cameras in the Spring issue took us somewhat by surprise. It generated a media blitz, with our UK author even doing doorstep television interviews in the early hours of the morning.

The new-look *Policy* website continues to attract a steady stream of traffic, with exponential spikes in the number of hits after an article is mentioned in the press or websites like Arts&Letters Daily post a link. Full access to every article in each new issue is available one month after its newsstand release as the primary interest of CIS has always been to circulate its ideas as widely as possible.



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Policy Autumn 2003

CIS in the Media

Leading the way in public debate, CIS makes headlines

'WITHOUT doubt, the leading, and most influential think tank is The Centre for Independent Studies' (Brad Norington, *SMH*, August 2003). So concluded a three part series on Australian think tanks in *The Sydney Morning Herald*, which explored the success of CIS in shaping policy debate in Australia.

CIS bears upon Australian domestic and foreign policy by maintaining a steady media presence, reigniting debate on lasting issues such as taxation and welfare, and anticipating new issues and being the first to bring them to the fore.

'Take the Solomon Islands: last May [2002], before the Howard Government made any decision about committing troops and police, CIS Senior Fellow Helen Hughes wrote that the nation had "ceased to function as a state" as it rapidly disintegrated into violence and chaos' (Brad Norington, *SMH*, August 2003).

Throughout 2003, the media relied on CIS Senior Fellow Helen Hughes and Susan Windybank, editor of *Policy*, to provide analysis and solutions to the problems in the Pacific. Their recommendations received unprecedented attention from both Australian and Pacific governments, and interest in the Pacific escalated with the Australian government eventually sending troops to the Solomon Islands in 2003 (for more detail, see Foreign Policy section or PreCIS, August 2003).

CIS has also breathed new life into the road safety debate by hosting the visit of respected British sociologist Alan Buckingham whose *Policy* article and lecture, 'Speed Traps: Saving Lives or Raising Revenue?', dominated Australian press, radio and television in October 2003. Drawing on current statistics, he challenged the view that speed cameras are the solution to safer roads. Instead of encouraging safe driving and discernment of road conditions, speed cameras foster a nation of speedometer watchers trying to avoid being fined.

Buckingham appeared on seven television programmes, including the ABC's *7:30 Report*, Channel 9's *A Current Affair*, and several news bulletins. His countless radio appearances included 2GB with Alan Jones, Triple M and 2UE. He was also featured on the front of *The Sydney Morning Herald's* drive section, *Wheels* magazine and New Zealand's prestigious *North and South* magazine. Several papers were inundated with letters of support, published in *The Daily Telegraph*, *Sunday Star Times*, and *The North Shore Times*.

The Centre's high profile events and international speakers have also made the headlines of Australia's leading newspapers, including Josef Joffe's presentation of the John Bonython Lecture, extracts of which appeared in *The Australian*, *The Australian Financial Review* and *The Sydney Morning Herald*. Consilium, CIS's annual policy conference, was described in a feature story in the weekend *Financial Review* as 'the annual get-together of corporate heavy hitters, top politicians and bureaucrats, bishops and soldiers'. (Rowan Callick, *AFR*, 16-17 August). The article commended the broad range of views expressed as well as the timeliness of conference session topics.

In 2004, CIS looks set to promote the values of personal liberty, economic freedom and democracy to an increasingly wider audience.



Public Affairs Officer **Natalia Mroz** (left) has left CIS to continue her studies in Europe. Natalia has kept the media and the public informed of CIS events and research activities since February 2002. CIS wishes her all the best in her new venture.

The new Public Affairs Officer, **Nina Blunck** (right) has joined CIS. Nina has an

Arts/Commerce degree from Sydney University, and looks forward to working with CIS's broad range of material and topics of interest.



ePreCIS

The CIS electronic news bulletin, ePreCIS, keeps subscribers informed about CIS news, events, publications and research. To receive ePreCIS on a monthly basis, if you are not currently doing so, please contact our Public Affairs Officer with your subscription request at media@cis.org.au or on (02) 9438 4377. Alternatively you can subscribe via the CIS website www.cis.org.au

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*Greg Lindsay, Suri Ratnapala and Josef Joffe
at the 20th Annual John Bonython Lecture, 2003*



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