

WHERE THE IDEAS COME FROM



CIS



The Centre for Independent Studies

The Centre for Independent Studies (CIS) is Australasia's leading public policy research institute or think tank. 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

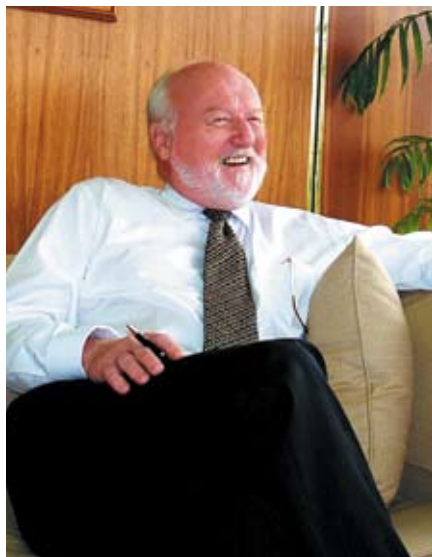
Funding and independence

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

From the Executive Director



Reforming the welfare system has been an ongoing CIS programme for nearly 20 years. Although current CIS studies also include economics and international policy, we are convinced that the welfare state's destructive impact on individuals and families is central to some of our most profound problems.

The bureaucratic, 20th century-style welfare state has failed on many grounds. Financial cost is one factor: if things go on the way they are, the mounting expectations of those caught up in the system will send us all broke. Rising productivity might offer some relief, but it would require more labour market deregulation and red tape reduction than the public can stomach, yet. However, there are other costs as well.

The current welfare system, in Australia and New Zealand, is hurting many of the people it aims to help. Welfare dependency has become entrenched among much of the population, turning many into passive, non-contributing members of society. Failures in education and other areas have exacerbated the problem. Moreover, as Peter Saunders has

forcefully pointed out, the welfare state recycles resources by collecting taxes and then handing the money back out as 'benefits', minus a service charge. This churning cycle is spinning faster and faster, and it has to stop.

In October, the Centre hosted a lecture by Indigenous leader Noel Pearson, who injected a healthy dose of common sense into the welfare discussion. He said that expectations that healthy communities take for granted—'that children will be brought up safely and well, of mutual obligation between citizen and society, of public order and safety'—have collapsed in welfare-dependent Indigenous communities. He was especially concerned about the epidemic of substance abuse and passivity in these communities, but his point holds true more widely throughout our societies. He called on people in welfare-dependent communities to climb the 'stairs of social and economic improvement' through educating and encouraging their children. This kind of a gradual, generational approach is necessary because, as he put it, 'No one has invented a mass elevator for a community to ascend all at once'.

The welfare state is more than just income support. It includes education, health, housing and much more and has failed some of the most vulnerable members of our society and is in reality unnecessary for the great bulk of the rest. The work by Peter Saunders and Noel Pearson, as well as earlier CIS studies by Helen Hughes, Jenness Warin and John Cleary, highlights the urgent need for reform, and keeps the topic at the top of the CIS agenda.

CIS turns 30 in 2006. Cause for celebration, of course, but also a time to consolidate what we have been able to achieve and to restate our fundamental objectives and move forward. The uncertain world we live in gives all of us at CIS plenty to think about. The way governments react to some of these uncertainties is already testing the relationship between individuals and the state. Free societies are still fragile things even though we have seen great advances in individual freedom worldwide. Our freedom and prosperity hasn't come about by accident or by some mysterious process. To reinforce and enlarge our communities of free and prosperous individuals and families is a goal that CIS has always had and always will have. Our work for the next 30 years will be dedicated to that goal.



The annual CIS conference, Consilium, is a unique world class forum for leading decision makers to present and discuss the big-picture issues facing Australia and the world. The sixth Consilium, with a private, informal atmosphere on Queensland's Sunshine Coast, dealt candidly with current policy concerns as well as topics which are future-looking and agenda-setting.

The former NSW Premier, [Bob Carr](#), gave the opening dinner address and spoke broadly on the value of historical perspective, the environment, climate change and nuclear power—issues which he believes are of great importance.

The **'Rediscovering Self-Reliance'** session discussed the possibility of returning responsibility to our citizens. Professor [Peter Saunders](#) argued that a system of self-reliance is desirable but the challenge is how we make that happen; British Labour MP [Frank Field](#) spoke about the importance of encouraging individuals to look after their families and community members; Dr [John Goodman](#) of the National Center for Policy Analysis outlined the move towards individualistic solutions like personal retirement accounts, while Sir [Roger Douglas](#) and Professor [Lauchlan Chipman](#) spoke on the importance of tax reform if self-reliance was to become a viable option.

The **'Risking Freedom: The Assault on Liberal Institutions'** session began with Professor [Chandran Kukathas](#) explaining that liberty is threatened by unbridled authority, while Professor [Wolfgang Kasper](#) focused on the importance of private property rights which is essential if we are to be a just, free and prosperous Australia. Defamation laws, according to the Editor of *The Australian*, [Michael Stutchbury](#), are established laws against free speech; Professor [Frank Furedi](#)'s primary concern is with the threat to free speech from within institutions, citing universities as a clear example, while Professor [Suri Ratnapala](#) argued that racial and religious anti-vilification laws pose a risk to freedom.

According to Singapore's [Kishore Mahbubani](#), the first speaker in the popular **'Asia's Big Game'** session, the 21st century will be the Asia Pacific century. [Andrew Hoehn](#), from RAND Corporation, outlined the importance of China to the strategic debate in Washington, while Professor [Robyn Lim](#) spoke about the balance of power in North Asia and the need for Australia to be cautious of China. The Foreign Affairs Minister, [Alexander Downer](#), emphasised that the rise of China is the most important issue that Australia has to deal with, while the Shadow Foreign Affairs Minister, [Kevin Rudd](#), said that it is imperative that Australia develop an integrated national strategy to respond to the growth of China. [Susan Windybank](#) noted that on top of traditional geopolitical concerns in Northeast Asia, Australia had to worry about terrorism in Southeast Asia.

The **'Diagnosis and Prescription: Options for Health Policy Reform'** session raised important questions on the way forward for health reform in Australia. Professor [Ian Harper](#) focused on the public and private funding mix in Australia's





hospital system; the Health Minister, [Tony Abbott](#), argued against the need for large scale reform in the health care sector; the Shadow Health Minister, [Julia Gillard](#), stressed that there has been no substantial reform to ensure the health system is sustainable for the next 30 years; Professor [Warren Hogan](#) spoke about the need for more choice in regards to aged care and Dr [John Goodman](#) outlined the benefits of Health Savings Accounts.



The **'Indigenous Futures'** session was a stand out. [Tahu Potiki](#) explained that Maori are given the cultural and moral high ground but no real responsibility to consider all competing interests like everyone else. [Warren Mundine](#) stressed that Indigenous people need to be able to own assets and pass them down the generations, while [Noel Pearson](#)'s sobering presentation emphasised the importance of securing a balance between rights and responsibilities, symbols and practical achievement. [Alan Duff](#), author of *Once Were Warriors*, said that to solve the problems that Maori face, there must be truth, facts and encouragement, but *not* handouts.



The most popular session at Consilium was the special multimedia presentation by Dr [David Kilcullen](#): **'The Dark Side of Globalisation: War and Conflict in the 21st Century'**. Kilcullen suggested that we are in a phase of wars of globalisation. In the end, the war will not be won by military might, but by people realising that liberal institutions are the way forward. He said that it is the job of the military to keep society safe while it promotes these liberal values. A fascinating discussion followed with the Defence Minister [Robert Hill](#), Editor at Large of *The Australian* [Paul Kelly](#), [Andrew Hoehn](#) and Major General [Maurie McNarn](#), Director of the Defence Intelligence Organisation, all commenting on the complex strategic challenges that we face today.



Due to the popularity of the breakfast sessions last year, two sessions were on offer to the Consilium guests each morning. [Bob Carr](#) led the discussion on **'Nuclear Power'** while The Hon [Ruth Richardson](#) spoke on **'The Promise of a New Europe'**. [Paul Kelly](#) provided his perspective on the nature of the relationship between **'Indonesia and Australia'** while Baroness Professor [Susan Greenfield](#), Adelaide's Thinker in Residence, spoke passionately about **'What Big Topics Are Left For Science to Answer'**.

'Consilium is like pulling into the ideas station and filling up'

The Hon. Ruth Richardson



The closing dinner address was given by Professor [Greg Craven](#) who turned a serious topic of discussion, federalism, into an entertaining and humorous address to a very receptive audience. An appropriate end to another highly successful Consilium.

22nd Annual John Bonython Lecture



'In poor and badly governed countries, entire societies suffer from hopelessness, few opportunities, no hope that tomorrow will be a better day. Belief in the future grows when poor countries begin to experience growth, when markets open up and incomes increase.'

The Wealth of Generations: Capitalism and the Belief in the Future

Johan Norberg

11 October 2005, Sofitel Wentworth, Sydney

Johan Norberg presented to more than 380 people an optimistic view of where increased globalisation and capitalism have taken us. Specifically he spoke about the ways that capitalism and free individuals in liberal societies are restoring the belief in the future. Greg Lindsay introduced Johan Norberg and Janet Albrechtsen gave the vote of thanks.

13 October 2005, Langham Hotel, Auckland

The annual John Bonython Lecture is one of the most anticipated events on CIS's Australian calendar and this year it was delivered for the first time in New Zealand to an audience of 180 people. Dr Don Turkington delivered the vote of thanks.

Johan Norberg is one of the most exciting and insightful thinkers to emerge in recent times. He is the 32 year old head of political ideas at Swedish think tank, Timbro, and the author of the award-winning and best-selling book *In Defence of Global Capitalism*, which CIS republished for an Australasian audience to coincide with the lecture. This lecture was published as Occasional Paper 98.

A 'brilliant John Bonython Lecture'

Michael Kroger, *The Australian*

Book Launch

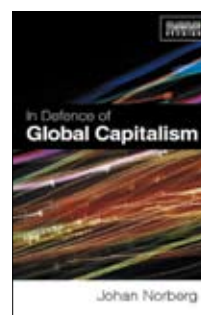
In Defence of Global Capitalism

Johan Norberg with Paul Kelly and James Morrow

10 October 2005, Statement Lounge, Sydney

Johan Norberg spoke about the key ideas presented in his best-selling book. 'Capitalism and globalisation provide a setting that unleashes individual creativity as no other system can. At its core, belief in capitalism is belief in mankind.'

Listed in *AFR BOSS* guide to the best 101 books of 2005



Student Lecture

'Why Globalisation is the Cure for Terrorism'

Johan Norberg

12 October 2005, AGSM, University of NSW

This thought-provoking lecture challenged the attitudes of many students towards globalisation.

'This book artfully refutes the soft-socialist, anti-capitalist ethic that pervades so much of our culture and media.'

James Morrow, *Investigate Magazine*

'It is well organised, very crisp, very sharp.'

Paul Kelly, Editor in Chief, *The Australian*

CIS Big Ideas Forum

Asian Power, Asian Values

Kishore Mahbubani | Alan Dupont | Owen Harries
8 August 2005, Supreme Court of New South Wales, Sydney

Some 300 people filled the Banco Court in Sydney to hear distinguished Singaporean scholar-diplomat Kishore Mahbubani speak on the rise of China—indeed, the rise of a region, the ‘new Asia’. Mahbubani rose to prominence in the 1990s as one of the leading protagonists in the ‘Asian values’ debate. His opening remarks to the Sydney audience demonstrated that he has not lost his flair for sparking debate. He argued that the Asian century has arrived and will require Western countries to adjust. He noted that the Sino-American relationship will be critical for regional stability and hence prosperity, but warned that huge adjustments will have to be made by both countries. However, it will not be easy for the City on the Hill and the Middle Kingdom to accommodate each other.

Dr Alan Dupont from the Lowy Institute for International Policy and CIS Senior Fellow Owen Harries commented on Mahbubani’s address. Susan Windybank chaired the question-and-answer discussion that followed. A transcript of the proceedings is available from the CIS website.



The Acton Lecture on Religion and Freedom

Christian Political Engagement: Time to Go Global

Jim Wallace
23 November 2005, Melbourne

In this lecture Jim Wallace spoke about how the Church can strengthen the hand of moderate Muslims against Islamist extremists by emphasising a shared commitment to transcendent values whilst also pressing secular governments to tolerate religious differences. Wallace believes that the war against terrorism is a battle for hearts and minds and that this is a battle that the Church is used to waging.

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

Jim Wallace AM is the Executive Chairman of the Australian Christian Lobby, one of Australia’s fastest growing political organisations, which aims to see Christian values better acknowledged in the way we are governed, do business and relate as a community. Wallace is also a sought after commentator on defence and security issues having left the Army as Brigadier in late 2000 after a 32 year career.

‘The Centre for Independent Studies has been ahead of its times in acknowledging religion as a significant intellectual, moral and political force in current affairs.’

Frank Devine, *The Australian*, 2 December 2005



‘The influence of the Church is as important to the future human condition as it was in the industrial revolution, but this time the task is truly global, and as evidenced by terrorism, urgent.’



The Ethic of Respect: A Left Wing Cause | Frank Field
2 August 2005, AAP Centre Theatre, Sydney

The then Premier of NSW Bob Carr, in his last public engagement, introduced the evening lecture where Frank Field, member for Birkenhead (UK) and author of *Neighbours from Hell*, spoke to a full theatre on the importance of retaining respect as a core value in society and the benefits of eliminating welfare dependency. He emphasised that a common decency culture needs to be established, and as a pearl of great price, needs renewal, support, and an active citizenship to ensure that it is transmitted from one generation to another.

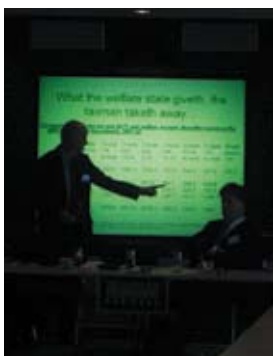
Welfare Reform and Economic Development for Indigenous Communities | Noel Pearson
25 October 2005, Australian Stock Exchange Auditorium, Sydney

Director of the Cape York Institute for Policy and Leadership, Noel Pearson, delivered a passionate lecture to a sold out audience, in which he emphasised the need for comprehensive economic and social development reform which would allow Indigenous communities to flourish. He has been leading an agenda for change in the Cape York area for over a decade. He said, 'the end goal for the Cape York reform agenda is to ensure that Cape York people have the capabilities to choose a life they value. This is not about making choices *for* people, but is rather about expanding the range of choices people have available *to* them'.



Members' Christmas Party and Lecture: The Twelve Policies of Christmas: Will the government be my true love? | Peter Saunders
7 December 2005, CIS Sydney

Based on recent publications produced by the Centre, Peter Saunders outlined 12 policy initiatives which he wished the federal government would grant. They included tax reform, welfare reform, school choice, support for civility in public life, a shake-up in Indigenous policies, a review of foreign aid, greater self-reliance through personal savings and insurance, support for global free trade, less profligacy in public spending, reduced labour market regulation, promotion of marriage for those with children and a general reduction in government interference in people's lives. At each stage in his talk, Peter was ably supported by a CIS staff choir, which was enough to drive everybody to (festive) drink.



CIS Tax Seminar

Creating a Competitive Country: Should Australia Join the Flat Tax Revolution?
17 November, ABN Amro, Sydney | Dr Dan Mitchell (Heritage Foundation, USA), Lauchlan

Chipman (Emeritus Professor at Wollongong University), Professor Peter Saunders (CIS)

This Sydney seminar focused on the merits, or otherwise, of a 'flat tax'. Peter Saunders spelt out the case for a simpler, fairer, more efficient tax system, all of which can be achieved by a flatter tax structure. Lauchlan Chipman explained why flat taxation is fairer than so-called 'progressive' taxes. Dan Mitchell drew on experience from around the world to show how a move to a flat tax is not only feasible but hugely beneficial in stimulating economic growth and national prosperity. The forum stimulated lively debate about the prospects for a flat tax in Australia.

Roundtables and Symposia

Fourth Annual Papua New Guinea and Pacific Roundtable 14 December 2005, CIS Sydney

Pacific island leaders' call to enable unskilled workers from Papua New Guinea and other Pacific islands to come to Australia and New Zealand for short-term spells on special visas was rejected by the Australian and New Zealand governments at the recent Pacific Forum meeting in PNG. But the proposal is likely to be revived during the coming year and at the next Forum meeting.

A select group of policymakers and analysts gathered at the CIS offices to discuss the role of migration and remittances in Pacific island economies and the likely impact of short-term unskilled immigration on the Australian economy and society. CIS Senior Fellow Helen Hughes led the discussion, which will form the basis of an Issue Analysis paper in early 2006.



Indigenous Futures Roundtable 25 October 2005, CIS Sydney

This roundtable looked at policy reforms needed to enable Aborigines and Torres Strait Islanders to access jobs, self-employment and entrepreneurial opportunities. Speakers included: Professor Helen Hughes ; Noel Pearson (Director, Cape York Institute) speaking on health and education; Warren Mundine (CEO, NSW Native Title Services) who discussed land uses; Janet Albrechtsen (*The Australian*) who looked at issues relating to the law, and John Cleary (former CEO of Tiwi Islands) who focussed on governance. Whilst many of the problems facing remote communities were identified, the discussion concentrated on finding solutions—in particular the need for land reform.



From left: Dan Mitchell, Terry Dwyer, Sinclair Davidson, Alex Robson, Jill Keohone, Andrew Quinlan

CIS Forum—Melbourne Tax Competition: The Adverse Impact of Harmonisation 14 November, Langham Hotel, Melbourne

Dr Dan Mitchell (Heritage Foundation, USA), Andrew Quinlan (Center for Freedom & Prosperity, USA), Dr Terry Dwyer (ANU), Dr Alex Robson (ANU), Dr Sinclair Davidson (RMIT), Jill Keohone (Liberian International Ship and Corporate Registry).

To coincide with the OECD's global tax harmonisation conference in Melbourne, the CIS in conjunction with the Heritage Foundation and Center for Freedom and Prosperity held a forum to examine the benefits of tax competition for Australia's economic growth and regional competitiveness. Issues of fiscal sovereignty and the role of competitive tax policies for developing countries were posited against the OECD's push for tax uniformity.

CIS Forum—Wellington Creating a Competitive Country: Which Way Forward for Tax Reform in New Zealand? 21 November, Intercontinental Hotel, Wellington

Professor Peter Saunders (CIS), Dr Dan Mitchell (Heritage Foundation, USA), Andrew Quinlan (Center for Freedom & Prosperity, USA), Dr Sinclair Davidson (RMIT), Michael Littlewood (University of Auckland)

The third in the series of tax forums was held in Wellington and involved a panel of five speakers. Peter Saunders outlined some basic principles for tax reform, following which Dan Mitchell and Michael Littlewood discussed the relevance of the flat tax debate for New Zealand. In the second half of the meeting, Sinclair Davidson and Andrew Quinlan explained why it is important to allow tax competition between countries. Those attending the forum included prominent New Zealand politicians, public servants and journalists, all of whom enjoyed a spirited discussion which continued at the cocktail reception which followed.

Lunches and Dinners

Multilateral Versus Bilateral Trade | Razeen Sally **7 July 2005, CIS Sydney**

Unilateral liberalisation remains the first best path to freer trade, according to Senior Lecturer in International Political Economy at the London School of Economics and Political Science, Dr Razeen Sally. He cited World Bank research showing that two-thirds of the benefits of trade liberalisation came from unilateral action and only one-third from trade negotiations. Thus China's 'unilateral burst' to gain entry into the World Trade Organisation (WTO) galvanised India. With the WTO bogged down in an overloaded and complex agenda and defensive bilateral 'free' trade agreements proliferating, China may end up setting the pace of trade liberalisation by becoming the unilateral engine of freer trade.



The Mood in Washington: Foreign Policy in the 2nd Bush Administration | Peter Brookes **26 July 2005, CIS Sydney**

The mood in Washington remains resolute and determined, according to Senior Fellow for National Security Affairs at the Heritage Foundation in Washington, Peter Brookes. The war on terrorism, the Middle East, and the rise of East Asia—in that order of priority—would remain the three main foreign policy preoccupations of the second Bush administration. His advice to Australia? Take the opportunity to shape American policy where Australia has more expertise, such as in Southeast Asia.

Will China Succeed on the Pathway to Becoming a Business, Military and Global Power? | Andy Hoehn **3 August 2005, Brisbane**

Andy Hoehn, Director of the Strategy and Doctrine Program in Project Air Force at the RAND Corporation USA, led the dinner discussion among Brisbane's elite business and policy thinkers on American policy towards the rise of China. He began by pointing to State Department optimism but Defence Department alarmism coming out of Washington. These tensions would continue for some time, he argued, because they reflect a response to conflicting signals from Beijing. For example, China's economic engagement with the US and counter-terrorism efforts indicate a status quo power but its military build-up, particularly of offensive capabilities, is evidence of a revisionist position.

Promoting Democracy: Challenges and Opportunities | Paula Dobriansky **18 August 2005, Parker & Partners, Sydney**

US Under Secretary of State for Global Affairs Dr Paula Dobriansky addressed often-voiced concerns over the American determination to promote democracy abroad—including the fear it will bring Islamist governments hostile to American interests to power—and recounted some small but significant grassroots developments in 'the forward march for freedom' in the Middle East, Central Asia and elsewhere. The lunch was chaired by CIS Director Ross Grant.

Reassessing the War on Terrorism | Harlan Ullman **19 September 2005, CIS Sydney**

A senior advisor with the Centre for Strategic and International Studies in Washington, Dr Harlan Ullman gave a gloomy account of progress in Iraq and the Middle East. He outlined what he saw as the key mistakes and failures of the Bush administration and argued for a broader strategy to win the hearts and minds of both a region and a religion.



CIS Media Lunches provide opportunities for key media professionals to hold discussions with visiting international scholars. In the latter half of 2005, CIS hosted lunches with Frank Field, Frank Furedi, Kishore Mahbubani and Johan Norberg.



Liberty & Society

Introductory Liberty & Society | 8 - 10 July 2005

Thirty young people came together in Sydney in July. It was good fortune that the conference happened to coincide with visits to the Centre by Dr Razeen Sally from the London School of Economics and Professor Bruce Caldwell from the University of North Carolina. Dr Sally spoke at the opening dinner about how he came to liberal thinking and how it applied to his work in international trade relations. Professor Caldwell, who is an economic historian and a specialist on F.A. Hayek joined the group on Saturday afternoon to talk about the legacy of Hayek.

Four great lecturers guided the students throughout the weekend. Political philosopher Dr Jeremy Shearmur, took them through a potted history of classical liberalism and the major thinkers. Professor Geoff Brennan, an economist from the Australian National University participated for the first time in a *Liberty & Society* weekend. He is a great communicator and has experience teaching at the Institute of Humane Studies in the USA which runs similar programmes. Professor Suri Ratnapala from University of Queensland ran a lively session using the 1999 Queensland Vegetation Management Act as an example of legislation threatening free society. The weekend ended with CIS's controversial Peter Saunders debunking the welfare state.

'It's a weekend of the most challenging, slumber waking, change inducing, refreshing and energising thinking I've done in a long time!'

'The setting was fantastic and I made some new friends while strengthening my ideals.'

Advanced Liberty & Society | 30 September- 2 October 2005

Advanced Liberty & Society conferences are for those who have been to an introductory *Liberty & Society* and are still highly involved in liberal thinking and have completed their degree or are continuing their study at a higher level. Some attendees included Michael Potter (Director of Economics and Taxation at ACCI), Ben Davies (Assistant Advisor to Employment and Workplace Relations Minister Kevin Andrews), Alan Anderson (lawyer with Allens Arthur Robinson and writer for *SMH* and *Investigate* magazine), and Kate Morrison (PhD candidate in Economics at University of Queensland). The objectives of these conferences are to strengthen ties with the CIS, build new friendships and to develop deeper thinking about some of the difficult issues of the day.

The conference is more practical and policy focused. Ruth Richardson presented a paper on 'Reshaping the Political Landscape', David Morrison looked at tax issues, Andrew Norton and Tom Switzer did a double act on public opinion polling and how wrong the elite press are on many of the major policy issues, and the weekend finished off with Owen Harries and a fiery discussion on America and Iraq.

Participants were also given the opportunity to present papers. This year the topics were 'The Future of Judicial Rule in Australia', 'Should Section 46 of the Trade Practices Act be repealed?', 'Socially Optimal Institutional Design of Monetary Policy' and 'Building Democracy in China: Debates and Critiques'. All topics were well presented and raised a great deal of debate amongst the group.

'The conference has given me the confidence to put across a point of view even when everyone in the room disagrees with me.'



Foreign Policy and International Relations

Papua New Guinea and the Pacific

CIS has unquestionably opened up the debate on Papua New Guinea (PNG) and the Pacific. Over the past three years a stream of Issue Analysis reports, opinion pieces in major Australian and regional newspapers, radio interviews, and articles in the *Pacific Economic Bulletin* (the regional journal of record) and other publications has drawn attention to the causal link between lack of development and insecurity in PNG and the Pacific. Other organisations have joined the debate, but CIS remains the lone voice making the case for the reforms necessary to put the Pacific on the path to sustained high growth and rising living standards.

Only if PNG abandons the policies that have resulted in 30 years of population growth ahead of economic growth can Australian aid be effective and the lives of Papua New Guineans improved.

The cumulative impact of this work has borne fruit in the form of real policy change. To give one example: following the May release of the Issue Analysis report *Papua New Guinea's Choice: A Tale of Two Nations* by Helen Hughes and Susan Windybank, Helen was invited to review key aspects of the Australian government's policy towards PNG, particularly aid-funded teaching in local languages at primary school level. Helen also participated in discussions of the forthcoming 2006 White Paper on Australian aid, which is expected to focus on growth. AusAID is pursuing the development of a quantitative growth model for PNG, a key recommendation of *Papua New Guinea's Choice*. An early outline of this model was presented at a regional growth conference in PNG in October.

Having brought the debate to this point, the next step for CIS is to put its work between hard covers. This will require updating and adding to existing research and pulling it together into a comprehensive book that will serve as a 'roadmap' for reform. Such a book is a major undertaking.

Gaurav Sodhi joined CIS in August to assist with further research, including a political audit of the Pacific. In November, intern **Stephan Freitag** began research on regional integration and Pacific union. The book is scheduled for release towards the end of 2006.

Globalisation and 'new' security issues

China's rise is far from the only strategic issue on the foreign policy agenda. CIS Visiting Fellow (Jan-July 2005) and Dr David Kilcullen addressed Consilium as a keynote speaker in the closing session on the changing nature of conflict in the 21st century. His presentation focused on what he termed 'wars of globalisation' such as the war on terrorism. The best write-up of Kilcullen's thesis remains Paul Kelly's column, 'Ideas Will Be Crucial for Victory' (*The Australian*, 10 August 2005).



Dr David Kilcullen presents at Consilium 2005

Transnational terrorism and crime—the so-called 'new' or 'non-state' security threats—now compete with 'old' geopolitical concerns about changing power balances and rising powers. The international system appears split between a 20th century paradigm centred on the nation-state and a 21st century world in which sub-state (e.g. local insurgents) and trans-state actors (e.g. terrorists) take on increasing importance.

Susan Windybank attempted to reconcile these two competing visions of world order in her presentation in the Asia session at Consilium. Her remarks formed the basis of an Occasional Paper with Queensland university academic, Dr David Martin Jones, entitled *Between Two Worlds: Australian Foreign Policy Responses to New and Old Security Dilemmas* (released October).

Miranda Darling had a cover story in the October 2005 issue of *Quadrant* on the bird flu pandemic threat. An edited extract was posted on the website www.onlineopinion.com.au. Miranda will be continuing her work on pandemics in 2006 with further research on AIDS—one of the Big Three pandemics along with bird flu and SARS—in Papua New Guinea and the Pacific.

Transnational terror a globalisation downside



The rise of China

The annual CIS Big Ideas Forum in August 2005 was devoted to the rise of China—indeed, the rise of a region. Before an audience of some 300 people, distinguished Singaporean scholar-diplomat Kishore Mahbubani argued that current key dynamic is the Sino-American relationship. Alan Dupont from the Lowy Institute and CIS Senior Fellow Owen Harries commented on Mahbubani's remarks whilst Susan Windybank chaired the proceedings and question-and-answer discussion.

Kishore Mahbubani also headed a memorable session on East Asian geopolitics—'Asia's Big Game'—at Consilium 2005. The session included excellent presentations from both Foreign Minister Alexander Downer and Shadow Foreign Minister Kevin Rudd. Susan Windybank interviewed Mahbubani for the Summer 2005-06 issue of *Policy*.



From left: Alan Dupont, Owen Harries, Kishore Mahbubani, Susan Windybank, Greg Lindsay

'The Asian century is not coming . . . the Asian century has arrived. It has begun'.

Kishore Mahbubani

The failure of the Bush Doctrine

The nations that democratic values could be imposed by force were dismissed from the outset, writes Owen Harries



American hegemony and the US alliance

CIS Senior Fellow Owen Harries continued to write on American hegemony, democracy promotion and the war in Iraq, with a chapter, 'The Perils of Hegemony', published in *The Right War?: The Conservative Debate on Iraq* (Cambridge University Press, 2005). He also delivered a lecture entitled, 'The Short Unhappy Life of the Bush Doctrine', the fifth talk in the 'The World According to Bush' series, organised by the Australian-American Association and the Australian Institute of International Affairs.

Australia's alliance with the United States, now in its 54th year, has been the subject of intense debate since the 2003 invasion of Iraq. CIS

'We should forget the notion that Australia can act as a mediator or bridge between China and the United States. Bridges get walked over. Instead we should focus on keeping America engaged so that China's rise is indeed peaceful.'

Susan Windybank, *Alliance: The View from America*



George Negus interviews Owen Harries for SBS Dateline

took a different tack on this well-worn issue with the release of the Occasional Paper, *Alliance: The View From America* in August. The paper aimed to 'de-parochialise' the debate in Australia by asking how Americans think about the alliance. It featured the views of four leading analysts from Washington's most influential think tanks and an afterword by Susan Windybank. The US Consulate in Sydney ordered copies for distribution at the annual Australia-United States Leadership Dialogue in August, and the authors' range of views were covered extensively in the Australian media.

April Palmerlee, a former US State Department senior official, has returned to CIS as a Visiting Fellow following the birth of her baby daughter, Portia. She is currently researching alternatives to the moribund United Nations such as a 'community of democracies'.

Social Foundations

People

A new full-time Research Assistant, **Arti Sharma**, was appointed in July. Arti is working mainly on family law reform and the crucial issue of work-family balance.

Tax reform

The tax reform agenda has been bubbling for much of this year, and CIS has been instrumental in keeping the issue on the boil. Building on similar events earlier in the year, Peter Saunders shared a platform in September with Malcolm Turnbull at a well-publicised meeting to explore and explain the case for reforming income tax, and in November CIS hosted international forums in Sydney, Melbourne and Wellington which examined amongst other issues, tax competition and the case for a flat tax—something the Australian government has dismissed as unworkable but which has so far been adopted in more than a dozen countries.

In August, Sinclair Davidson's *Are There Any Good Arguments Against Cutting Income Taxes?* became the ninth paper in our tax reform series and attracted widespread media interest. Davidson asked whether tax cuts benefit the rich at the expense of the poor, and he unpicked the question of whether lower taxes encourage people to work more (because the rewards are greater) or less (because they can gain more money for less effort). He also evaluated the argument that government revenues may actually increase as a result of tax cuts (the so-called Laffer curve).

Davidson's paper was followed in November by the publication of the tenth paper in the series, an innovative contribution from John Humphreys who argued the case for what he called *Reform 30/30* (a 30% flat tax, with a 30% Negative Income Tax, and a \$30,000 tax-free threshold). Humphreys's paper is important for the way it tries to integrate the tax and welfare systems (the Negative Income Tax would replace all welfare benefits and top-ups), for it is clear that both need to be radically changed if we are to restore self-reliance and reward personal effort.

Welfare reform

The need to reform the Income Support system—particularly unemployment benefits, the Disability Support Pension and Parenting Payments—has been a major theme of CIS work for several years, and we have continued to make the case for reform whenever we can. In July, Peter Saunders delivered papers on welfare reform to the Social Policy Research Centre annual conference in Sydney, and to a Swinburne University seminar on ‘welfare and enterprise,’ and in August he was invited to address both the Institute of Public Administration in Melbourne, and the Economic Society in Canberra, again on the topic of welfare reform.

Although the government's resolve has been weakening a little of late, it is clear that its proposals for reforming the system of Parenting Payments and Disability Support Pensions (announced at the May budget) have been significantly influenced by arguments and ideas developed by CIS.

In addition to continuing to make the case for reform of Income Support payments, we are now widening the debate to encompass reform of the whole welfare state.

It is richly ironic that taxes are so high because the welfare state costs so much, soaking up more than two-thirds of all federal and state tax revenues.

The argument is that the mass of the population may once have needed the government to provide health, education, retirement incomes and income insurance services, but sustained economic growth means this is less and less the case. Consilium in August devoted a full session to the question of how self-reliance might be strengthened by reducing taxes to allow people to provide more services for themselves, and this reflected the basic theme in a series of three Issue Analysis papers produced during the year, the last of which (*Twenty Million Future Funds*) was released in December.

This final paper in the series sketched a number of proposals which could reduce tax-welfare churning. These included the establishment of personal savings accounts to replace unemployment benefits; partial voluntary opt-outs from Medicare in return for tax-exempt health savings; replacement of family payments by a Negative Income Tax with transferable children's and partners' tax-free thresholds; and age pension reforms coupled with changes to superannuation. In all cases, the aim is to leave more money in people's pockets to enable them to pay their own way.



Poverty

In recent years, CIS has made a major contribution to the understanding and measurement of poverty in Australia, and has largely succeeded in demonstrating the inadequacy both of the official statistics on low incomes, and of current ways of measuring deprivation based on income 'poverty lines'. Some academics still fiercely resist and resent our influence on this debate, and the Summer issue of *Policy* carried a review essay by Peter Saunders discussing a new book by a leading academic which is wholly devoted to an attempt to discredit the CIS work in this area. But in policy circles, the argument has now largely been won, and professionals are looking for a fresh approach.

In this context, Peter Saunders was invited to be discussant on three separate occasions on a major paper from the Melbourne Institute for Applied Economic and Social Research which sets out a new approach to conceptualising and measuring deprivation. The paper, which was commissioned by the Department of Family & Community Services, was first delivered at the Melbourne HILDA conference in September, and was then given again in revised form to a Canberra audience in November and to an academic audience back in Melbourne in December. The paper dispenses with income-based poverty lines altogether, and while still far from perfect, it represents an important improvement on the traditional poverty research of which CIS has been so critical.

Taxing time when we rely on welfare state

Where welfare once enhanced our lives, it is now preventing us from achieving self-reliance, says Peter Saunders.



'It is an absurd conceit to suggest that the fate of the poor depends on a bunch of academics proving the poor exist in large numbers and then getting the government to take their statistics seriously. In reality, the fate of the poor depends on the dynamism of the private sector economy.'

Peter Saunders, *Policy*, Summer 2005-06

Time to open gate to school-based training

Teacher recruitment needs rethinking, says Jennifer Buckingham



Teacher trainees are being recruited directly into schools in a Victorian pilot program.

'School-based training does not involve lowering the bar, but rather providing an alternative way to reach it.'

Jennifer Buckingham
The Newcastle Herald

Education and the family

With Jennifer Buckingham's return to CIS, after a stint as Schools Editor at *The Australian*, our focus on education reform is picking up again. Jennifer released an Issue Analysis paper in October entitled *Good Teachers Where They Are Needed* in which she proposed school-based teacher training as a way to attract high calibre maths and science teachers to secondary schools and to improve the quality of teacher training. This paper marks the beginning of a new wave of CIS work on raising the quality of teaching and schooling.

Meanwhile, Arti Sharma's arrival has allowed us to re-energise our work on family policy, which lapsed temporarily when Barry Maley retired. Arti is currently evaluating the government's new Family Relationship Centres and its proposed reforms to the child support payments system, and in future CIS will turn its attention to the vexed issue of 'work-family balance' (the Prime Minister's barbecue stopper).

Indigenous Affairs Research Programme

The Indigenous Affairs Research Programme was established to look at the issues facing remote Indigenous communities and to develop new ideas for improved public policy whilst ensuring these issues are kept at the forefront of public debate.

The Hughes/Warin paper, *A New Deal for Aborigines and Torres Strait Islanders in Remote Communities*, released in early 2005, raised awareness of the concerns of Aboriginal people living in remote communities, a cause which has been taken up by many in the media with a noticeable increase in coverage of these issues. Since then, the programme has continued to impact on the debate and fundraising is now under way to allow CIS to employ a full-time researcher to work on Indigenous affairs. In the interim, CIS has been fortunate enough to draw on a network of expertise working under the leadership of Professor Helen Hughes.

Whilst opposition to reform continues from some quarters, CIS has been buoyed by feedback from remote Indigenous communities that support its proposals. CIS work in this area has also received acknowledgment from leaders like Warren Mundine, who, in a note to Greg Lindsay wrote, 'I also want to say what the CIS is doing in this area of opening up a debate is great and I congratulate you and the CIS on this'. Noel Pearson of the Cape York Institute said, 'I want to especially acknowledge Helen Hughes, whose collegial, if bracing, advice to our Institute in Cape York on a project looking at the economic viability of remote communities I found refreshing and indispensable to our thinking.'

Publications

In September, CIS released an Issue Analysis paper by Helen Hughes, titled *The Economics of Indigenous Deprivation and Proposals for Reform* which was based on a presentation she gave at the 34th Australian Conference of Economists. In the paper, Professor Hughes calls for a reform of the 'separatist' policies which have resulted in Indigenous deprivation. Specifically, Helen identifies the need for improved education standards leading to productive employment opportunities with mainstream earnings, decent health outcomes, and improved housing. The release of this paper was accompanied by extensive radio and print coverage across the country.

Former school teacher, Veronica Cleary, released an Issue Analysis paper in December titled *Education and Learning in an Aboriginal Community* which discussed education issues in remote Aboriginal communities based on her experience in the Tiwi Islands.

Events

On 25 October 2005, CIS held a lecture by Noel Pearson titled, *Welfare Reform and Economic Development for Indigenous Communities*. The event attracted 270 people, filling the Australian Stock Exchange Auditorium in Sydney to capacity. Pearson's lecture grabbed headlines with highlights appearing on television later that evening and it was also reported on extensively in all the major dailies. In his lecture, Pearson spoke about the ways of achieving economic development for Indigenous people.



Noel Pearson at the ASX Auditorium

'Stairs are climbed by families urging their individual members to climb with them and investing in them to be climbers. That's our three-part metaphor: a strong foundation of social norms, a generous investment and an iterative investment in opportunity and capabilities, but at the end of the day creating a circumstance where individuals and families choose to improve their lives.'

Noel Pearson

To coincide with Pearson's visit, CIS also hosted a roundtable discussion to look at the policy reforms needed to enable Aborigines and Torres Strait Islanders to access jobs, self-employment and entrepreneurial opportunities. This built on some of the ideas generated at Consilium, where the 'Indigenous Futures' session provided an interesting comparison of the Aboriginal and Maori situations.

Whilst the Centre's job is to stimulate debate and provide policy recommendations, it is rewarding to see some of our ideas for reform being put into practice. CIS member, Andy Buttfield was inspired to organise a group of Rotary Club members to visit Banyala, a remote Aboriginal community in East Arnhem Land with which CIS has developed links. Through discussion with locals, the group assessed the community's prospects for an earnings future. They looked at the community's housing, education health and infrastructure needs. On their return, they developed a plan which includes constructing an arts workshop and women's health care centre. Sponsorship for these projects is currently being sought, with Rotarians volunteering to impart their business, construction and other skills to assist Banyala to construct buildings and run their own income generating projects. A plan for revitalising the Banyala school is also being developed.



New Zealand Desk

CIS has had some involvement in public policy debate in New Zealand since the 1980s when much of its work focused on economic issues such as labour market deregulation, the privatisation of state-owned enterprises, and welfare reform. More recently, our New Zealand focused research has included recommendations for education policy and for aid/development in the Pacific. However, there has been interest from New Zealand in seeing CIS's involvement in debate there lifted so that CIS becomes a truly trans-Tasman institute.

CIS therefore plans to establish a 'New Zealand Desk' at its office in Sydney which will involve employing initially one or two researchers to focus specifically on NZ policy issues. The advantage of having these researchers based in Sydney is to avoid duplicating administrative and other resources, so that funding can be directed primarily towards research. Another benefit of this arrangement is the opportunities for collaboration with other CIS research staff.

CIS recognises that, given suitable adaptation, much of its recent social policy work (on tax, labour market and welfare reform) and foreign policy research (particularly the work on the problems facing the Pacific

Island nations) would make an important contribution to New Zealand public policy debate. CIS also recognises that there are issues specific to New Zealand which are in need of some fresh thinking. It is envisioned that the New Zealand researchers will apply some of the Centre's existing themes to these important debates whilst ensuring the research is specific and relevant to New Zealand policy.

As well as research, the establishment of the 'New Zealand Desk' will see an increase in activities across the three other key areas of CIS work—events, publishing and media liaison. For example, in October 2005, CIS hosted its annual John Bonython Lecture and dinner in Auckland (as well as Sydney) and plans to make the presentation of this lecture in New Zealand an annual event.

The expansion of CIS activities in New Zealand is about promoting continuous public policy improvement, and as in Australia, CIS will provide an independent voice for change. New Zealand has often led the way internationally in pushing for positive policy reform, however, the 'battle of ideas' is an ongoing one and new research and public debate are crucial to developing and refining public policy for the long term.

Issue Analysis

Six Arguments in Favour of Self-Funding (No. 61) Part II of Restoring Self-Reliance in Welfare

Peter Saunders

The welfare state came into existence to provide health care, education, and income security which people needed but could not afford. But economic growth means increasing numbers of people can now afford to buy these things for themselves. Saunders says that we should welcome the gradual erosion of the mass welfare state by the move to self-funded benefits and services: 'We should not let emotional commitments to an old system cloud our search for newer and better alternatives.'

The Free Market Case Against Voluntary Student Unionism (But for Voluntary Student Representation) (No. 62)

Andrew Norton

'In a properly functioning market, higher education would range from no-frills to comprehensive packages, satisfying everyone from those with no time to spare to people who want the canoeing and mountaineering clubs.' Norton argues that market-based policies offer a practical alternative to the current VSU policy and the non-political services fee suggested by the ALP and the National Party. 'Stronger markets and flexible fees are what we need in our universities, not more regulation from the government or unnecessary extra fees from the Opposition.'

The Economics of Indigenous Deprivation and Proposals for Reform (No. 63)

Helen Hughes

Remote Aboriginal and Torres Strait Islander communities are demanding education that will lead to productive employment opportunities with mainstream earnings, decent health outcomes, decent housing and the same security that other Australians enjoy. Hughes argues that 'reforming separatist policies that have resulted in Indigenous deprivation is *essential* if Aborigines and Torres Strait Islanders are to have the opportunities and standards of living as other Australians'.

Good Teachers Where They Are Needed (No. 64)

Jennifer Buckingham

Australia has a serious shortage of suitably qualified maths and science teachers and a continuing problem with attracting good teachers to rural schools. When a problem is enduring and is not being improved by current

approaches, new strategies are needed. Buckingham argues that 'allowing qualified professionals to become teachers through school-based teacher training has the potential to reduce this ever-increasing shortage of teachers'.

Education and Learning in an Aboriginal Community (No.65)

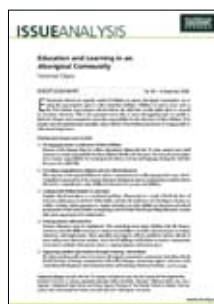
Veronica Cleary

Educational reforms are urgently needed if children in remote Aboriginal communities are to enjoy the opportunities open to other Australian children. Former school teacher, Veronica Cleary, identifies the strategies needed for improved education outcomes. Some of these include: re-engaging parents as educators of their children; providing comprehensive pre-school education and basic primary education which emphasises literacy and numeracy skills; linking child welfare benefits to regular school attendance; and supporting teachers and students through 'twinning' relationships.

Twenty Million Future Funds (No.66) Part III of Restoring Self-Reliance in Welfare

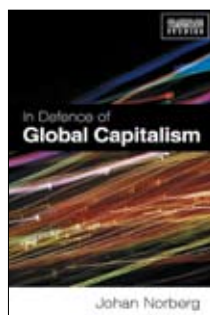
Peter Saunders

At least half of all welfare state expenditure goes back to the same people who contribute the money in the first place. There are strong economic and social reasons for reducing this tax-welfare churning. This paper suggests the government's Future Fund could be redistributed to provide everyone with a 'Personal Future Fund' (PFF) which they could then use to reduce their reliance on welfare payments (like unemployment allowances) and government services (such as Medicare).



All Issue Analysis papers are available for download from www.cis.org.au

Books



Special Publication 8

In Defence of Global Capitalism | Johan Norberg

For people to prosper, our world needs more globalisation, not less. In this book, Norberg illustrates how free market policies, contrary to popular assumption, have brought about better health, greater wealth and less poverty across the globe. *In Defence of Global Capitalism* quickly became a bestseller in Sweden and has since been translated into several different languages. This Australasian edition was published by CIS to coincide with his John Bonython Lecture in Australia and New Zealand.



Occasional Paper 96

Alliance: The View from America | Doug Bandow, Dan Blumenthal, Kurt Campbell, Peter Brookes and Susan Windybank (Ed)

Australia's alliance with the United States has given rise to an at-times heated debate in Australia over the degree to which ever-closer relations with our 'great and powerful friend' erodes the independent discretion available to the Australian government. In this paper, four leading analysts from Washington's most influential think tanks are asked what they think of the alliance and to judge whether Australia's current high profile in Washington really translates into greater visibility and influence.



Occasional Paper 97

Between Two Worlds: Australian Foreign Policy Responses to New and Old Security Dilemmas | Dr David Martin Jones and Susan Windybank

The recent terrorist bombings in our region highlight the complex and more uncertain security environment facing Australia. This paper outlines how 'old' strategic concerns about a breakdown in the East Asian power balance and the possibility of large-scale conflict have not gone away. They have simply been joined and complicated by 'new' security issues such as transnational terrorism, crime and state failure.



Occasional Paper 98

The Wealth of Generations: Capitalism and the Belief in the Future | Johan Norberg

By any measure—health, wealth, happiness and the environment—we are the most enviable generation ever. Globalisation and capitalism have brought poor countries greater wealth than before, a fact that has been drowned out by the claims of the anti-globalisation protestors. In this lecture, with optimism and humour, Johan Norberg looks forward to a future which can only improve with greater freedom, increased knowledge, wealth and technology on our side.



Occasional Paper 99

Fairness in a Liberal Society | Richard A. Epstein

In this publication Epstein unravels different conceptions of fairness, a term which is elusive and indefinable, yet an indispensable part of our language. Once the expression for fairness is agreed upon, one of the greatest challenges that still remains is determining how or who handles wealth differences that occur in society. Should we rely on private voluntary compassion, forced public redistribution or a combination of both?

Perspectives on Tax Reform Series



Policy Monograph 69

Perspectives on Tax Reform (9): Are There Any Good Arguments Against Cutting Income Taxes? | Sinclair Davidson

Experts and pressure groups favouring high taxes and high levels of public spending have repeatedly claimed that Australia is a relatively low tax economy. In this paper Davidson addresses four key arguments used by opponents of lower taxation, and finds they are misleading or contestable.



Policy Monograph 70

Perspectives on Tax Reform (10): Reform 30/30: Rebuilding Australia's Tax and Welfare Systems | John Humphreys

This paper outlines a radical vision of how the tax and welfare systems could be refashioned to ensure that nobody loses more than 30 cents of any extra dollar they earn. Humphreys argues that 'by increasing the tax free threshold to \$30,000 and only providing welfare to people with incomes below \$30,000, there is no overlap between taxpayers and welfare recipients. Not only does this remove the problem of overlapping work disincentives, but also it removes the pointless churning of money from taxpayers to bureaucrats back to the same taxpayers.'

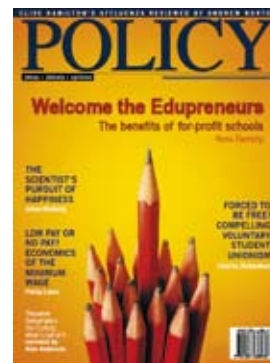
www.policymagazine.com

Policy has had a successful year, with subscriber numbers up by 10% and some online articles registering thousands of page views. Its website, www.policymagazine.com continues to let *Policy* reach many people who may never see a physical copy, and encourages discussion of articles in online forums such as weblogs.

The mainstream media continues to be useful in promoting *Policy* articles. Ross Farrelly, Johan Norberg, Sue Windybank, Phil Lewis, Greg Melleuish and Nick Gruen are among recent *Policy* authors who have attracted media reports, interviews or requests for article reprints. Articles have also been translated into Polish, Dutch, and Hebrew.

Policy is also a way of giving new writers publishing experience and bringing established writers into contact with the CIS. 40% of contributors to the last three issues of *Policy* were publishing there for the first time. Many had previously attended the *Liberty & Society* programme.

In 2006, *Policy* will continue to feature a mix of topical, agenda-setting and reflective articles and reviews.



Spring 2005



Summer 2005-06

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

Media Memo

The CIS media memo ezine alerts the media to the latest CIS initiatives before they happen. Media professionals can subscribe to media memo by contacting media@cis.org.au

CIS in the Media

2005 was another busy year with an increase in events, many of them at full capacity, resulting in extensive coverage from all sections of the media. Johan Norberg, the 22nd annual John Bonython Lecturer and 'globalisation spruiker', was profiled in several newspapers in the weeks leading up to his lecture. Emma-Kate Symons called Norberg 'one of the leading international thinkers' (*The Australian*, 17 September 2005).

Norberg also wrote the weekend essay in *The Australian Financial Review* based on his *Policy* article (Spring 2005). Extracts from his lecture were published in *The Australian*, *The New Zealand Herald*, *The Courier Mail*, *The Canberra Times*, *The Hobart Mercury*, *The Newcastle Herald*, and *Online Opinion*. Radio interviews included Triple J's 'The Hack', ABC Radio National's 'PM', 'Counterpoint' and 'Philosophers Zone' programmes, Vega FM and ABC Canberra. The intense media interest continued when Norberg travelled across the Tasman to New Zealand. Norberg appeared on TVNZ *ASB Business* and was interviewed by Radio National NZ and Newstalk ZB. Lengthy interviews with Norberg also appeared in the *National Business Review* and *Unlimited Magazine*.



'A breath of fresh air for the liberal cause.'

Michael Duffy, *SMH*, *The Age*, 24 September 2005

Two television crews, ABC's *Lateline* and SBS News, recorded the Noel Pearson lecture at the ASX in October, and footage and interviews were aired later that evening. *The Courier Mail* reported 'in a major speech last night to the Sydney-based think tank, The Centre for Independent Studies, Mr Pearson set out a new "conceptual framework, based on capabilities" to argue the case for a radical policy reform agenda for Indigenous Australians in Cape York.' (Peter Charlton, 26 October 2005). *The Australian* published a large extract of the lecture on the opinion page and Miranda Devine also wrote on Pearson's presentation in the focal opinion piece in *The Sydney Morning Herald*.

The expansion of our recently established Indigenous Affairs Research Programme was not only reflected in the media coverage that Noel Pearson's lecture received but also in the widespread attention dedicated to Helen Hughes' Issue Analysis. 'Of the hundreds of thousands of words I have read about Aboriginal life in contemporary Australia, none are more bluntly—or more refreshingly—deployed than the 7,000 in Helen Hughes's monograph *The Economics of Indigenous Deprivation and Proposals for Reform*' wrote Frank Devine (*The Australian*, 14 October 2005). The Editorial of *The Northern Territory News* went one step further: 'Ouch! Professor Helen Hughes has told Territorians a few uncomfortable home truths...It may be that the professor's philosophy of tough love is the key to ending Australia's shame' (29 September 2005). Opinion pieces were published in *The Australian* and *The Sunday Territorian*, and Hughes was interviewed by radio stations all over the country including CARMA Alice Springs, ABC Radio National 'Breakfast', Territory FM (Darwin), ABC Orange, 2UE, 4CA (Cairns), SBS and ABC Darwin.

Tom Dusevic, Editor at Large, *TIME* South Pacific, was inspired by the issues discussed and participants involved in the 'Indigenous Futures' roundtable in October. The result was a major story in the 30 November issue of *TIME* magazine. This summarises perfectly the gentle but substantial influence of CIS in the media.



'The most comprehensive overview he has given of this philosophy so far.'

(Editorial, *The Australian*, 26 October 2005)

CIS published 102 opinion pieces, up from 83 in the same period last year, in newspapers ranging from *The New Zealand Herald*, *The Japan Times*, *The Australian*, *The Sydney Morning Herald*, *The Australian Financial Review*, *The Age* and the list goes on. At least four radio interviews a week were broadcast in 2005, the greatest amount to date. These statistics, as well as the media highlights, show the continual growth of CIS influence within the media.

CIS Staff and Board of Directors



Back Row from left: Leonie Phillips, Stephan Freitag, Barry Maley, Greg Lindsay, Peter Saunders, Susan Windybank
Second row from left: Carolyn Chen, Prescila Chang, Arti Sharma, Nina Blunck, Christi Spring, Jenny Lindsay
Front row from left: Jane Blumer, April Palmerlee, Owen Harries, Gaurav Sodhi, Helen Hughes

Absent: Andrew Norton, Judy Kay, Ignatius Forbes, Wolfgang Kasper, Michelle Chase, Jennifer Buckingham

From left: Michael Darling, Marco Belgiorno-Zegna, Ruth Richardson, Bob Day, Geoff Ricketts, Robert MacLean, Greg Lindsay, Don Turkington, Chris Roberts, Ross Grant, Michael Chaney.

At November Board meeting.

Absent: Robert Champion de Crespigny, Peter Dodd, Chum Darvall, Peter Farrell, John Green, Steven Skala and Steven Wilson

New Staff

Arti Sharma is a Research Assistant working in the Social Foundations programme. Having completed a Bachelor of Arts (Politics and History) and a Masters of International Law, she is currently completing a Bachelor of Laws.

Gaurav Sodhi is a Research Assistant working in economic and foreign policy. He has recently completed a Bachelor of Economics and a Bachelor of Arts degree from UNSW, with majors in economics and political science.

Stephan Freitag is a visiting Research Assistant at CIS working in foreign policy. He is on a three-month internship with the Centre. He holds a degree in Economics from Bremen University, Germany.



CIS Distinguished Fellow



From left: Greg Lindsay, Dr Roderick Deane, Michael Darling

At a special luncheon on 19 October 2005, hosted in Sydney by Deutsche Bank, **Dr Roderick Deane** was made a CIS Distinguished Fellow. The *Distinguished Fellow* award was created in 1996 to acknowledge those individuals who, in various ways, have made a significant contribution to the Centre and its work over the years.

Dr Deane, who is the Chairman of some of New Zealand's biggest companies (including Telecom New Zealand) has been involved with promoting the ideas of the Centre for almost two decades and served on the CIS's Board of Directors for almost ten years. In accepting the award, Deane said 'It was a great joy for me to work with CIS over a long period of time and to act as the New Zealand point person for the Centre, which was very rewarding and a fun experience.'

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Professor Wolfgang Kasper | *Senior Fellow*
Barry Maley | *Senior Fellow*
Andrew Norton | *Research Fellow, Editor of Policy*
April Palmerlee | *Visiting Fellow*
Professor Peter Saunders | *Social Policy Research Director*
Professor Steven Schwartz | *Visiting Fellow*
Arti Sharma | *Research Assistant*
Gaurav Sodhi | *Research Assistant*
Susan Windybank | *Foreign Policy Research Director*

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Dr Ben Teh (1941 - 1998)

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'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