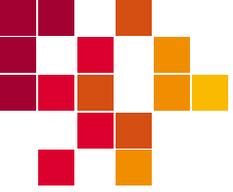


PréCIS

The Centre for Independent Studies



LEADERSHIP IN IDEAS



THE CENTRE FOR INDEPENDENT STUDIES

January – June 2007

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 a 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

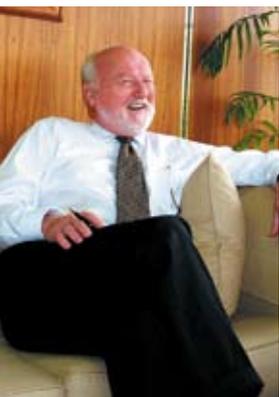
- Research
- Publishing
- Lectures and seminars
- Liberty & Society student programme

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



Voters have almost insatiable demands of government', a federal Cabinet Minister was recently reported to have said. Well of course. Governments today also seem to have an insatiable capacity to want to say yes to demands no matter what they are. The Minister wondered why the polls didn't reflect more kindly the fact that the government was doing so much for them. But maybe that's the problem. Perhaps the public is expecting something a little better of their governments. Has government become a big daddy who can't say no and as a consequence has earned the disrespect of the children? Most parents know that not setting boundaries for children can have undesirable social and economic consequences.

It's also a puzzling fact that, in the prosperous West, incumbency of parties of all persuasions has become a powerful tool for the expansion of government at a time when people have less need for what the government can provide. In recent times the Centre has been attempting to highlight this particular problem and particularly so through the work of Peter Saunders and Andrew Norton. Also, and maybe paradoxically too, the economic reforms of the last couple of decades have led not only to unprecedented levels of prosperity, but also to unprecedented levels of taxation revenue for governments. This in turn has led to increasing involvement by governments in the daily lives of people, and this, it turns out, is because they can. There have been grudging tax cuts to return to the public what is rightfully theirs, but there seems little enthusiasm for this on the part of government and its officials. It's worth turning to *Yes Prime Minister* to get a bit of perspective:

Hacker: *Why is the Chancellor opposed to tax cuts.*

Sir Humphrey: *Because he is advised by the Treasury and the Treasury don't believe in giving money back.*

Hacker: *It's not theirs, it's the taxpayers.*

Sir Humphrey: *That is one view, it is not the view of the Treasury once they've got their hands on it.*

Hacker: *But if they don't need it?*

Sir Humphrey: *Taxation isn't about what you need.*

Hacker: *What is it about?*

Sir Humphrey: *Prime Minister, the Treasury does not work out what they need to spend, and then think how to raise the money.*

Hacker: *What do they do?*

Sir Humphrey: *They pitch for as much as they think they can get away with and then think how to spend it. If you start giving money back because you don't need it, you're breaking with centuries of tradition.*

We should indeed expect better of our governments or we will become the reverse of the observation Ronald Reagan once made about the USA, 'We are a nation that has a government - not the other way around.' This also means then that we are going to have to behave a little better ourselves. The discipline runs both ways.

The first half of 2007 has seen a continued growth in the Centre's activities as reported in this issue of *PreCIS*. A highlight was the publication in May of *Lands of Shame* by Helen Hughes. This remarkable volume continues the important work started by CIS in late 2004 on the precarious state of the well-being of Australia's most vulnerable citizens: the Aboriginal and Torres Strait Islanders in the remote communities. It is in many ways a depressing read, a story of political timidity and backward-looking bureaucratic rigidity underpinned by an ideological framework that treated this group of Australians as unable to pursue their lives as do their fellow citizens and as incapable of existing by their own labours and without government support.

Does it take a mighty leap of the imagination to suggest that unless we all start to control our demands on government, and governments act responsibly in attempting to make room for more self-reliant behaviour by individuals in control of their own affairs, the future for increasing numbers of fellow citizens might take on some of the dependency character of those in the remote communities? Perhaps, but we are already at a point where a significant part of the population depends increasingly to some measure on transfers engineered by the government. The Minister was concerned about the insatiable appetite of the public for these transfers, but he and his colleagues in all governments have created the problem.



18 January

Forum: Index of Economic Freedom

In January, Dr Tim Kane of the Heritage Foundation joined CIS Social Research Director Peter Saunders and the Australian National University's Alex Robson at a special CIS forum to discuss the latest issue of the Foundation's Index of Economic Freedom. According to the Index, Australia now ranks third in the world on economic freedom. The discussants identified some problems with this claim, particularly regarding the measurement of labour market freedom in Australia. Nevertheless, all speakers agreed that the Index contains a crucial message regarding the strong association between the prosperity of countries and the freedom under which their economies operate.



6 February

Nuclear Deterrence Roundtable

On 6 February, Robyn Lim held a roundtable to ponder the regional fallout from North Korea's nuclear test. She argued that a faster pace of proliferation was now likely in North Asia, and discussed the likely reaction in South Korea and Japan. For Australia, where the balance of power between the US, China and Japan were crucial in maintaining security, she argued that since nuclear weapons represent an existential threat, options for uranium enrichment should not be completely closed off.



2 March

A Perspective on Climate Change - David Henderson Lunch

CIS hosted a lunch on 2 March with David Henderson, former Chief Economist at the OECD. Professor Henderson offered a critique on the Stern Review on the Economics of Climate Change and the findings of the Intergovernmental Panel on Climate Change. Drawing attention to the weaknesses in the economic analysis within the Stern Report, Henderson warned against the high costs of diving into poorly thought-out strategies to prevent global warming. He emphasised the need to be pragmatic in dealing with climate change rather than becoming carried away with rhetoric and hyperbole.



12 March

CIS Tribute to Milton Friedman

On 12 March CIS hosted a tribute to Milton Friedman to mark his passing and his contribution to Australia's economic and political life. Speakers included Wolfgang Kasper, ANU's Alex Robson, Chairman of the ASX & ABC Maurice Newman, Peter Swan from UNSW and education economist Mark Harrison. Watch the forum online at www.cis.org.au

28 March

Wellington Welfare Lecture

CIS held a public forum in Wellington with Professor Peter Saunders speaking on Reinventing the Welfare State, with commentary by former New Zealand Finance Minister Sir Roger Douglas. The discussion was well received with a focus on welfare churning and how such inefficiencies can be solved with personal superannuation accounts seeded by the government and a scheme of 'opt-outs'. Both Saunders and Douglas were entertaining speakers and a lively question time followed their addresses.



29 March

Auckland Cocktail Reception

On a stormy evening in Auckland, Professor Peter Saunders presented his New Zealand welfare reform ideas to a highly receptive audience. Saunders outlined how the very people who are giving money to the government in tax are receiving it in payments of one kind or another.

3 April

Preston Manning Lunch

Creating a *competitive political marketplace* was the title of former Canadian Opposition Leader Preston Manning's lunch address to a group of young political activists at CIS. Manning heads up a democratic think tank in Canada, The Manning Centre, which aims to build intellectual, human and political capital below the political party level to enable good governance. Manning has identified many avenues for strengthening democracy in Canada and recommended some of these lessons for our own democratic model.



4 April

Does Australia Need the Access Card?

CIS held a Roundtable on the Federal Government's proposed National Health and Welfare Access Card, it was a timely meeting held one week after a Senate Committee released a negative report on the Access Card, asking the Government to redraft its proposal. The Roundtable was attended both by federal government officials for the Card and those campaigning against it. Representatives from Privacy groups raised concerns that the biometric technology the Government is looking to embrace is flawed and that the amount of information to be contained on each person's Card is excessive and likely to endanger the privacy rights of individuals.

5 June

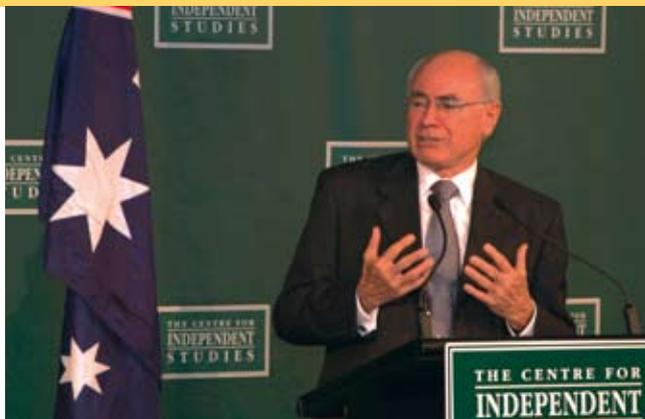
Ayaan Hirsi Ali Roundtable

CIS was privileged to host a Roundtable discussion with one of the world's most controversial thinkers – Ayaan Hirsi Ali. This outspoken Somali refugee and former Dutch parliamentarian discussed her ideas about the importance of instilling Western Enlightenment thinking in all Western citizens – both immigrant and local populations. Hirsi Ali was joined in discussion by religious leaders including an Anglican Bishop, Catholic Cardinal, Chief Rabbi and a group of Young Australian 'Infidels', as well as journalists, cultural writers and CIS researchers. Hirsi Ali is currently a Fellow at the American Enterprise Institute and an in-depth interview on her attempts to introduce to liberalism to fundamentalist Islam will appear in the next edition of Policy.

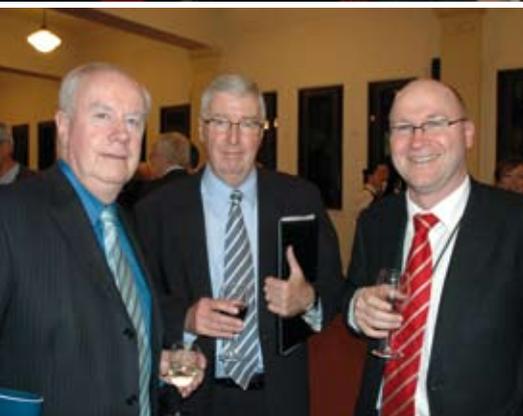




Newly appointed Federal Minister for Immigration and Citizenship, Kevin Andrews MP, delivered the first Policymakers Forum of the year at the Commonwealth Bank in Sydney, with a lecture entitled: 'Keeping Our Eyes on the Road'. Andrews: "I believe the Australian spirit of democratic capitalism has been a constant intellectual, political and social phenomenon since British settlement and a force for great good. With a direct lineage from Adam Smith and Edmund Burke, its philosophic and social roots are diffuse, evolving, and constructively convergent."



Prime Minister John Howard MP spoke at CIS's second Policymakers Forum this year on 14 May. Howard addressed a sell out crowd in Sydney outlining his vision for reforming Australia's education system from early childhood right through to tertiary and vocational education. This was the second in the PM's Australia Rising speeches and some of his ideas were hotly contested among the audience.





CIS continues to have a major impact on the policy agenda in New Zealand in 2007.

Phil Rennie's paper *New Zealand's Spending Binge* sparked a major debate over the merits of government spending and the disappointing results it has achieved over the last 10 years.

The findings of the paper were featured in newspapers and radio around the country, and saw heated discussion on talkback radio, newspaper editorials and the internet. The paper was even debated in Parliament, with Finance Minister Dr Michael Cullen forced to defend the government's spending plans.

The following paper *Taming New Zealand's Tax Monster* also attracted wide coverage and Phil was in demand as a commentator on the government's budget for 2007.

The CIS had a busy week of events in New Zealand in March. A public forum in Wellington attracted a full house to hear Peter Saunders and former Finance Minister Sir Roger Douglas discuss the future of the welfare state, and ideas for reform. A cocktail function was held in Auckland the following day for members and supporters of the CIS.

To coincide with the trip, Peter Saunders published his paper *Reinventing New Zealand's Welfare State* with some radical ideas on how people could voluntarily opt out of state social services. He appeared on Newstalk ZB twice as a featured guest and wrote a major article for *The Dominion Post* in Wellington.

The impact of our previous work continues to be felt, with Phil's earlier paper *Why Tax Cuts Are Good for Growth* being adapted for use by a Canadian thinktank, the Frontier Centre for Public Policy. His recent paper on spending has again been re-published in the magazine *The Free Radical*.

This series of papers on tax and spending will soon be collated into a Policy Monograph, presenting an overview of our work so far. In August Phil will address a Consilium session on this topic.

For the rest of 2007 the focus of our research will broaden to cover social issues, such as welfare reform and tertiary education.

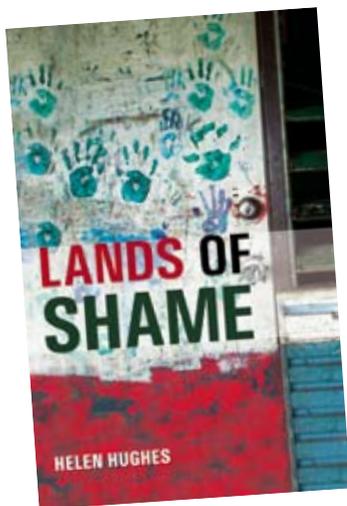
"I have greatly enjoyed the pieces by Phil Rennie... They have been some of the best analysis on our situation I have seen."

-Email from a senior New Zealand journalist



" Mr Rennie, of the New Zealand policy unit of The Centre for Independent Studies, takes a bit over 12 closely typed pages to prove what many of us instinctively knew... nanny state's vast expenditure of money stolen from its citizens has achieved, to put it bluntly, bugger all."

-Garth George, *New Zealand Herald* columnist
March 22nd 2007



The weekend of the fortieth anniversary of the 1967 referendum saw the release of Helen Hughes' eagerly awaited book, *Lands of Shame: Aboriginal and Torres Strait Islander 'Homelands' in Transition*. *Lands of Shame* analyses why the 'homelands' experiment has led to Third World living conditions in the midst of Australia's prosperity. It reviews the evidence on demographic trends, law and order, land rights, joblessness and welfare, education, health, housing and governance, and hands down a report card on Commonwealth, State and Territory policies. With an eye to a better future, *Lands of Shame* also discusses policies that would give Aborigines and Torres Strait Islanders in remote Australia the same opportunities and choices that other Australians expect.



Kirsten Storry continued her analysis of education issues with a new Issue Analysis paper in April, *What is Working in Good Schools in Remote Indigenous Communities?* Kirsten brought together, for the first time, the statistics on attendance, achievement and retention in remote communities in the Northern Territory, Queensland, South Australia and Western Australia. She looked at some of the school-side and community-side interventions with which good schools are trying to break the cycle of poor education. Kirsten has also continued to provide timely commentary in newspaper opinion pages in the *Australian* and the *West Australian*. As part of her continuing research on remote education, Kirsten travelled to Aurukun on Queensland's western Cape in May as a guest of the Croc Festival and saw first-hand the complexity of the issues facing remote schools.

CIS has continued its involvement with Baniyala, a remote community in East Arnhem Land, and Executive Director Greg Lindsay was present in May for the opening of the Art Centre and Women's Centre. Northern Territory Administrator His Honour Mr Ted Egan AO opened the centres that the community had built with only technical and financial support from the private sector. But this is just the beginning. 'Stage one of the Baniyala renewal project,' project leader Andy Buttfeld said recently, 'has been about creating opportunities for non-welfare income and employment, but for stage two the community needs proper education and health. They want a fully-fledged primary school that is open every day. They want a qualified resident teacher to teach their children English, maths, science and history. And that requires a house for a resident teacher to be built this year by the community – if funding is available.' ■





FOREIGN POLICY AND INTERNATIONAL RELATIONS

The Pacific, as always, was full of sound and fury. CIS continued to keep an eye on developments in the Pacific as well as commenting insightfully on issues elsewhere in the region.

In March, Visiting Fellow Robyn Lim released *'Australia and the Future of Nuclear Deterrence'*, which analysed the regional fallout from North Korea's declaration as a nuclear power. In an equally explosive paper, Research Fellow Miranda Darling Tobias urged action on HIV/AIDS in Papua New Guinea in *'The HIV/AIDS crisis in PNG'*, warning of a calamity of African proportions if the situation was left unchecked.

A total of six opinion articles have been published to date this year, including some quirky pieces; Research Fellow Susan Windybank commented on the Chinese seduction of Kiribati, while Policy Analyst Gaurav Sodhi looked at an unusual road building initiative in PNG. More ominously, Miranda Darling Tobias repeated her warnings on health problems in PNG and Robyn Lim pondered on the nuclear predicament facing Japan.



Visiting Fellow John Lee finished his monograph on China's experiment with liberal economics and authoritarian politics (which is due to be released soon), and wrote an article in *The National Interest* about the strategic tug of war between China and the US over ASEAN.

With an election in PNG just around the corner, Gaurav Sodhi caught up with the unique fears and possibilities that are part and parcel of elections in that country at the PNG Update in Sydney this month.

Research on the Pacific book continues in earnest and looking ahead, there are publications on PNG and more on China. ■



The *Social Foundations* programme undertakes research that aims to promote strong families, good quality education that is responsive to consumers, less dependency on the welfare state (with lower taxes), and a culture of personal responsibility and respect for others.

All four of these elements are needed to support a free society where autonomous people control their own lives rather than having government run things for them.

Output is aimed at specialist policy professionals and at the general public. Since the beginning of the year, the Social Foundations team has published three Issue Analysis papers, three articles in *Policy* magazine, and 18 newspaper articles. We also maintained a high profile in the electronic media with 27 radio and 2 television appearances in the first four months of the year.

Strong families:

Until recently our research on the family focused mainly on the well-being of children, and Barry Maley published important works on marriage, the problems of single parenthood, the burden of family taxation and the impact of divorce. With Barry's retirement, Arti Sharma extended our focus in 2006 to look at the federal government's new Family Relationship Centres, and although Arti too has now left the Centre, this year we hope to widen our research still further by contributing to major policy debates over provision of child care and the so-called 'work-family balance.'

Education:

Jennifer Buckingham's Issue Analysis paper, *Teachers and the Waiting Game: Why Decentralisation is Vital for Public Schools*, was released in February and received a healthy and mostly positive response. *The Australian* newspaper ran a large page 3 story on the paper as well as a favorable editorial, and it also published an article by Jennifer outlining her ideas. This appeared on the same day as a National Press Club speech by Federal Education Minister Julie Bishop which directly quoted and endorsed Jennifer's key arguments and proposals. Jennifer also did a number of radio interviews about the paper, including a lengthy interview on ABC Radio National which generated a follow-up debate on the same program the next day.

In addition to her paper on school decentralization, Jennifer's review essay discussing education vouchers was published in the Autumn 2007 issue of *Policy*. She is now working on a review of the evidence on the social effects of school choice.

The welfare state and tax reform:

In addition to his review essay in *Policy* on Charles Murray's latest book, Peter Saunders outlined his ideas for reforming the welfare state in two new Issue Analysis papers, one on Australia, the other on New Zealand. These papers suggested people should be allowed to opt out from government health care or age pension entitlements in return for tax cuts which would enable them to make their own provisions. The ideas generated considerable interest, and a specific proposal to privatize the Future Fund provoked an interchange of letters with Finance Minister Minchin and Treasurer Costello in the pages of the *Australian Financial Review*.





Our ideas on welfare reform continue to attract public interest. Peter published eight newspaper articles between January and April on topics including welfare opt-outs, child care subsidies and the growth of the nanny state, and one of these was read out by Alan Jones in his segment on Channel Nine's breakfast TV programme in April. Peter also appeared on a number of radio stations including Richard Glover's 'Political Forum,' Fran Kelly's Breakfast Show, and a one hour interview on New Zealand's Newstalk ZB. This latter coincided with his CIS public lecture in Wellington on reforming the New Zealand welfare state, where Sir Roger Douglas was discussant.

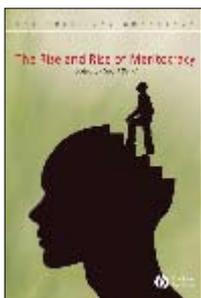
Reform of the welfare state will continue to feature prominently in CIS work in the coming months with the high profile visits of America's 'Big Two' social policy thinkers – Lawrence Mead (in June) and Charles Murray (in August). Also, Peter will be addressing a major Cape York conference on welfare reform in June when his new book on reforming the welfare state is also scheduled for release.

The obverse side of the welfare state is the tax system, for as one grows, so does the other. Tax Freedom Day this year fell on 24 April and Peter made a number of media appearances to mark the occasion including TV appearances on Channel Nine and the ABC, while Robert Carling published two newspaper articles.

Robert is now assuming principal responsibility for the CIS tax reform program. In November he published the eleventh in our 'Perspectives on Tax Reform' series, *State taxation and fiscal federalism: A blueprint for further reform*. This outlined a radical reform proposal involving abolition of stamp duties balanced by an increased GST with a state income tax coupled with a big cut in federal income tax. Robert also outlined these ideas in a paper to an Australian School of Taxation (ATAX) Symposium in April, and he published three newspaper articles dealing with reform of state taxation and the federal budget. He is now working on a paper on earmarked taxes.

Culture and Community:

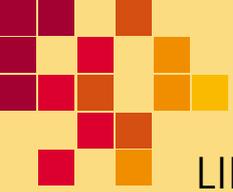
At his CIS 'Policymakers' lecture in November, Kevin Rudd suggested that deregulating markets threatens family life and undermines the strength of communities. Peter Saunders responded to this claim in the Autumn 2007 issue of *Policy*, showing that the period when family and community life in Australia unraveled fastest was when government regulation and intervention was at its height. A long extract from this article was subsequently reproduced in *The Weekend Australian*, and Peter also gave a paper on a similar theme at the Maxim Institute's April conference in Auckland on 'Social Justice,' which was very positively received.



Also in April, Arti Sharma convened a Roundtable at CIS on the federal Government's proposed new 'Access card.' This was attended by senior public servants, campaigners and academics and generated a very worthwhile discussion. And Peter's paper on meritocracy was published by The Young Foundation in London in a book marking the fiftieth anniversary of the publication of Michael Young's *Rise of the Meritocracy*. Edited by Geoff Dench, the book is called *The Rise and Rise of Meritocracy*. ■



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31 enthusiastic young people from around Australia and New Zealand gathered in Sydney in April for the first L&S conference for 2007.



Thanks to the wonderful donors to the programme, we are able to fund the students' accommodation, food, lecture materials and most of the travel if requested. This ensures that the conference is open to everyone, not just those who can afford to attend.

The weekend started with the Opening Dinner at the CIS where Tanveer Ahmed joined us to give the dinner address. He is a young psychiatry registrar, writer and occasional stand-up comedian. He spoke about Islam and young people and explained some the differences he saw in the Australian setting.

It was very rewarding to be able to invite two past L&S graduates who are now successful academics at ANU and UQ to be lecturers at the April conference. One of the main objectives of the Liberty and Society programme is to see L&S attendees continue on with their interest in the free market and individual liberty. L&S alumni now working in academia are a great example of achieving our objective.

Having a group of young lecturers coming from different perspectives made for a lively and argumentative weekend. An ongoing characteristic of the L&S weekends is the openness and civility that everyone's ideas are received and dissected. Discussions are tough, loud but disciplined and always about the discussions, never the person. I have included some of the student's comments about the lectures to give a sense of the weekend.

Dr Nic Southwood from ANU (and a graduate from L&S) took the first session on The Political Philosophy of Liberal Thinking.

'I previously had very little interest in the philosophical basis of classical liberalism and gained an appreciation that I did not have before.' James Paterson





Dr Jason Potts from QUT and UQ lectured on Economics

'Completely radical. Since my only familiarity with economics comes through the '101' subject I've completed at uni, some of the ideas presented here were especially challenging' Amanda Taylor

'I found the session challenging and it reinforced for me the importance of considering economic analyses and solutions to problems which often cuts through the left-wing orthodoxies and taboos' Patrick Giam

Dr Darryn Jensen from UQ (and a graduate from L&S) took the Law lectures.

'That the idea of individual liberty is not infinite ie. I understood that 'freedom' is limited by laws.' Rachel Lee

'The law is a critical pillar in classical liberalism. There were a lot of matters I previously had not thought about with the application of law to the case study using the Victorian Racial and Religious Tolerance Act.' Misha Saloukvadze

Professor Peter Saunders completed the weekend with a damning indictment of the welfare state.

'He made me consider aspects of welfare that I never thought about in such depth.' Alyce Casseti

'To me the best lecture of all. Provided innovative and practical means of implementing classical liberal ideas.' Navin Karunatilaka

After the conference the students are asked to rate the weekend from Excellent to Poor. 54% said it was Excellent and 46% said it was Very Good. This high rating is typical for the L&S weekends and reassures us that the programme is working well. When asked to sum up the weekend, comments such as Amanda Taylor's were common:

'It is a weekend where you are free to discuss and debate some of the most pressing issues facing our society within a context of a philosophy that is truly timeless. It brings together some fantastic young minds from across the country and NZ, debate is robust but extremely worthwhile.'

Finally, once the students have attended a conference we maintain ongoing involvement if the student is interested. This can occur in a few ways. Often the group will set up a forum where they can discuss topics of interest. The April group has already done this on a popular internet site called *Facebook*. A number of the students are offered the opportunity to do book reviews and write pieces for *Policy*. We invite the students to CIS events and keep in contact by sending them updates about the CIS, information about overseas courses, job opportunities in think tanks, worldwide essay competitions and we offer the young people we see as having long-term potential an invitation to the Advanced L&S conference. ■



“ That the idea of individual liberty is not infinite ie. I understood that 'freedom' is limited by laws.”
Rachel Lee



15 May 2007

Taming New Zealand's Tax Monster

No 87

Phil Rennie

New Zealanders now pay an extra \$20 billion in tax per year than they did in 2000. In this report, author Phil Rennie argues for more transparency in how politicians tax and spend. He suggests a range of measure to improve the spending discipline of governments and to give taxpayers more protection.



4 April 2007

What is Working in Good Schools in Remote Indigenous Communities

No 86

Kirsten Storry

In this paper, Kirsten Storry looks at the school-side and community-side interventions with which good schools are trying to break the cycle of low attendance, achievement and retention.

27 March 2007

Reinventing New Zealand's Welfare State

No 85

Peter Saunders

This report argues that the welfare state needs to be reformed to give New Zealanders more control over their lives. Professor Saunders sets out a three-point plan to reduce tax-welfare churning while still ensuring that everyone is guaranteed a decent, basic level of provision.

23 March 2007

Mismatch: Australia's Graduates and the Job Market

No 84

Andrew Norton

This paper discusses how Australia's centrally-controlled system of allocating university places has failed to adjust to either student or labour market demand and argues that a market system, in which universities set the number of places and student fees, would do a better job of supplying Australia's workforce.

15 March 2007

New Zealand's Spending Binge

No 83

Phil Rennie

Government spending in New Zealand is now \$20 billion higher than it was in 2000 yet has delivered disappointing results. In this paper Phil Rennie analyses a range of social indicators and finds that little has changed despite a massive increase in funding. He argues that public spending in New Zealand has reached such a high level that it is now delivering diminishing returns.



1 March 2007

Australia and the Future of Nuclear Deterrence

No 82

Robyn Lim

Global strategic changes are leading to a faster pace of nuclear proliferation, including in Northeast Asia. Australia currently relies on the US for nuclear protection. But these regional changes could necessitate a rethinking of this position. In this paper, Robyn Lim raises questions about Australia's dependence on the US for extended deterrence and discusses the need to keep our uranium enrichment options open.

8 February 2007

The HIV/AIDS Crisis in Papua New Guinea

No 81

Miranda Darling Tobias

The rapid spread of HIV/AIDS in Papua New Guinea has created a health emergency, with at least 120,000 Papua New Guineans likely to have HIV/AIDS. In this report, Miranda Darling Tobias discusses the biological, social and political factors that are responsible for the rapid rise of the HIV/AIDS infections in order to identify the practical steps needed to arrest the current trends.

5 February 2007

Teachers and The Waiting Game: Why Decentralisation is Vital for Public Schools

No 80

Jennifer Buckingham

Centralised staffing systems which fiercely protect regulations that shelter poor teachers and privilege longevity over performance are in need of change so that teachers and principals are able to make autonomous, responsible career choices. In this paper Research Fellow, Jennifer Buckingham argues that the centralised staffing system is delivering neither quality nor equality and many teachers and principals are deeply dissatisfied with it.

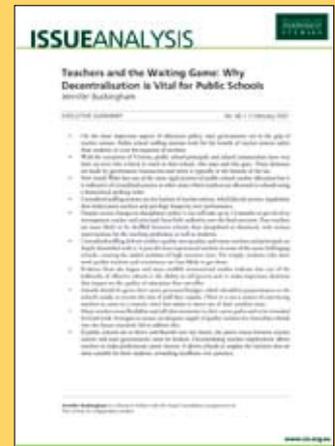
30 January 2007

A Welfare State for Those Who Want One: Opt-outs for Those Who Don't

No 79

Peter Saunders

This paper outlines proposals which would enable people who want to opt out of the welfare state to reduce their income tax liabilities so they can afford to make provision for themselves. People who want to continue to pay high taxes in return for government services and payments can do so. But those who are willing to give up their eligibility for government benefits or services should be able to use their own money to provide for their own needs.





An impressive mix of issues and individuals kick-started CIS' fabulous media run in 2007.



Research Fellow Helen Hughes released her groundbreaking book *Lands of Shame* in May, generating a vast amount of coverage and acclaim. In addition to five opinion articles being published, The Inquirer section of *The Weekend Australian* published a large extract of the book.

"Her forceful thesis is that the hideous failure of the remote settlements has finally demolished the theory of Aboriginal exceptionalism"
'Utopian venture created misery in our 1200 "homelands"', Frank Devine, The Australian, 11 May 2007

The first half of 2007 has seen CIS host interesting events and speakers including the Tribute to Milton Friedman, Prime Minister John Howard's Policymakers Lecture on Education and Tax Freedom Day.

"In his address to The Centre for Independent Studies in Sydney on Monday, John Howard provided a valuable context to the way in which the Government sees its own education revolution progressing."
The Australian, 16 May 2007





ABC Radio National's Fran Kelly and 2GB's Alan Jones picked Peter Saunders' brain about welfare, while Radio NZ, Radio Live and Newstalk ZB had Phil Rennie discussing New Zealand's spending binge. Stations in Adelaide, Brisbane, Melbourne and NSW all wanted to know more about Tax Freedom Day, while in the area of primary and secondary education, Jennifer Buckingham was widely called upon for comment, including from stations ABC Radio National, 2CC Canberra, Triple J and 4BC QLD.

All opinion pieces and Issue Analysis papers can be read online at www.cis.org.au

"In the summer edition of its *Policy* magazine, The Centre for Independent Studies decries Howard's abandonment of fiscal restraint and his descent into an orgy of government spending on health, education and welfare."

Sydney Morning Herald, 22 January 2007

INVESTOR

Yippee, Tuesday's Tax Freedom Day

It's going to be that bit easier to drag yourself out of bed to go to work from Tuesday - that's the day you start working for yourself instead of for the Government.

Yes, to this point of the year, the average Australian has been toiling simply to pay their tax bill. The date - known as Tax Freedom Day - is calculated by The Centre for Independent Studies by comparing how much wealth each person is creating with how much of it they are paying in local, State and Federal Government taxes. (The nation's per capita tax take is expressed as a proportion of its per capita gross domestic product, and then that proportion is applied to the number of days in a year.)

This year it falls on day 113, which is actually one day earlier than last year.

That's not because our taxes have fallen, however - they have risen. It's because, thanks to the resources boom, GDP has risen faster. As The Centre for Independent Studies puts it, "Governments have [not] been tightening their belts... the economy has been expanding even faster than our politicians' appetites for spend!"

How high the price of this spending? Despite the income tax cuts last year, the overall tax burden on each Australian has increased in the past year from \$13,792 to \$14,551.

That's a 5.5 per cent uplift, well above the 3.3 per cent rate of inflation.

How has our liability changed across the years as a proportion of national wealth? In 1901, Tax Freedom Day was way back in January. By World War II it was the end of

NICOLE PEDERSEN-MCKINNON



EDITOR'S DESK

February it had moved to mid-March by the late 1960s. And it crept into April during the Whitlam years (1972-1975). Which is where it has stayed ever since, mostly slipping further away each year. Last year was equal to the worst result, April 25.

Since we are now paying so much extra towards government spending, I reckon it's only fair that some of that spending directly benefits our hip pockets.

Here are a few ideas that would ease the financial pain for different segments of the population.

■ Make child care tax deductible, as recommended by the recent *Balancing Family And Work* report. It is an expense incurred by working and should be treated as such. This move would also alleviate the much-publicised skills shortage.

■ Increase the incentives for employers to hire - and, crucially, retain - older workers. Despite record low unemployment, it can be very difficult for 50-plus to convince businesses to take them on. Again, this one would help redress the skills shortage. Additionally, it would defer the looming pensions crisis - too few workers to support too many retirees.

■ Waive taxes on savings for a deposit on a first home. With property prices having moved so far beyond wages, first home buyers need every bit of help they can get. And the power of compounding would mean that, over time, they would gain far more than the Government would give up.

■ Allow tax deductions for financial advice. People should be encouraged and assisted to take control of their financial destiny.

Taxes have been creeping ahead of national wealth for 100 years. How about some greater pay back?

If you would like to appear in *Investor Overhaul* (page 9), simply send an email to investor@infocis.com.au. You would need to be willing to have your financial details and a photo published.

www.cis.org.au Wednesday, January 17, 2007 13

Opinion

Tofu terror added to list of reasons to be fearful



PETER SAUNDERS

There has been a good week for headlines. Two news reports have been published which, taken together, are thought to be a real indicator of the state of the world. The first report pointed to a possible global food shortage. The second report pointed to a possible global food shortage. The first report pointed to a possible global food shortage. The second report pointed to a possible global food shortage.

ing prevention, or lack of an organisation wanting to show scientific research, you won't get the best of both worlds. You will get a lot of the best of both worlds.

But it is the fact of the prevailing economic and social conditions that are the real indicator of the state of the world. It is these conditions that are the real indicator of the state of the world.

After having to worry about any economic, for example, the first Centre Council followed up a few days into asking that any food be identified after all. The council mentioned as a result of the report on the food shortage, but a few days later, the council mentioned as a result of the report on the food shortage.

"To those of you who have been living up with the world, I would like to say that the world is not as good as it seems. It is not as good as it seems. It is not as good as it seems.

The warning came from the same Council Council, which suggested that "we should not" might increase the risk of global food shortage.

It is thought you may be a member of the Council Council. It is thought you may be a member of the Council Council. It is thought you may be a member of the Council Council.

"Experts' have an interest in inundating us with scare reports like these because it gets them noticed."

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Prof. HELEN HUGHES
Centre for Independent Studies

Television appearances included Helen Hughes on ABC's *Difference of Opinion*, Peter Saunders on ABC News and Channel 9's *Mornings* with Kerri-Anne and Robert Carling on ABC's *7.30 Report*.

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Sarah-Jane Hall – Reception

Sarah-Jane Hall is a part-time Receptionist and Administration Assistant. She joined the Centre in March 2007 after working for a number of years at home raising her family. She previously worked in administration for the New Zealand Ministry of Foreign Affairs.



Abby French – Publications Manager

Abby French joined CIS as Publications Manager in April 2007. She has a BA (Graphic Design) from the University of Western Sydney. Abby has a publishing background, having worked in educational and magazine publishing before joining CIS. She also worked as a freelance designer for several years while studying Fine Arts at the Sydney Gallery School.



Geoff Hogbin – Senior Fellow

Geoff has come out of retirement to contribute to the CIS's work on economic policy. After studying economics at the University of Chicago, he spent 15 years at Monash University, first in the Department of Economics and later in the Centre of Policy Studies. Since 1990 he has been a consulting economist. His 1983 booklet "Free to Shop" published by the CIS was instrumental in the deregulation of shopping hours in much of Australia. Geoff joined the CIS in April 2007 and will contribute to CIS advocacy on industrial relations policy and rationalising employment regulation.



Jeremy Sammut – Research Fellow in the Social Foundations Programme

Jeremy holds a BA (Hons.) from Macquarie University, and in 2003 completed a PhD. in the School of Historical Studies, Monash University. He has published articles on historical subjects in *The Journal of Colonial History*, *The Journal of the Royal Australian Historical Society*, and *Quadrant*. Jeremy joined the CIS in May 2007 and is currently undertaking research into the topic of health and ageing.



Joanne Summergreene – Development Officer – Foundations

Jo is an experienced fundraiser who has worked for the Autism Association of NSW and more recently as Senior Manager in the Office for Advancement at the Singapore Management University in Singapore. Joanne joined the CIS in May 2007.



Elise Yates – Development Officer – Corporate

Elise has worked in fundraising for over 10 years and has worked on capital campaigns with organisations such as the National Trust, the Royal Hospital for Women Foundation and Clean Up Australia. Elise will be looking after our corporate sponsors and will also have a special focus on the CIS Capital Fund. Elise joined the CIS in May 2007.



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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



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