

14 November 2022

Dear

This is my first Christmas letter to you as Executive Director of the Institute of Public Affairs. Being appointed to serve as Executive Director is an honour and a privilege, and the conversations I have had with IPA members on the challenges facing Australia – and potential solutions – have been very important for me in charting the way forward. Thank you for your encouragement and support.

This letter is an opportunity for me to reflect on the changes we've seen in Australia, how the IPA has responded to them over the past twelve months, and share with you a little about our plans for 2023 and beyond.

My conversations with you reveal that we share a concern that many of the negative social and economic trends we identify are accelerating. I know you are concerned that Australia is turning its back on its heritage and its natural advantages, just as the world is becoming a less secure and more uncertain place. But I am hopeful because I also see more and more Australians willing to challenge these trends, and assert some timeless truths.

With your support the IPA is making an impact now and laying a firm foundation for the future. Put simply, Australia needs the IPA. That is why I've included a donation slip for you if you would like to make a tax deductible donation to the 2022 IPA Christmas Appeal to support our work and research.

As you know the IPA does not receive or seek any funding from government. The IPA relies entirely on the voluntary financial donations of Australians like you. You can return the donation slip in the reply paid envelope that's enclosed with this letter or you can donate online at ipa.org.au/christmas. You can also ring the IPA office on 03 9600 4744 and speak with Claire who can take your donation over the phone.

In this letter I will share how we cherish our Australian way of life, demonstrate how IPA research injects an essential dose of reality into national policy debates, and describe the work the IPA is doing with young Australians inside and outside the education system.

Not long after I took over as Executive Director, I was heartened by a message from IPA member Robert:

I want to wish you good luck and much success in your new position. The IPA is one of the few voices of common sense, reason and morality in a world that has no moral

.../2

compass, ruled by nonsense left wing ideology and woke idiocy. The IPA and its talented staff give me hope that maybe one day the pendulum may swing back to sanity and normality. But it's a tough battle!

The first step to sanity is accepting reality; and 2022 was perhaps the year when mainstream Australians were confronted with the results of policies IPA research previously identified as damaging to the country. In 2022, reality could no longer be avoided.

As predicted, the obsessive and reckless drive towards renewable energy in place of reliable base-load sources has escalated energy bills for households and businesses.

As predicted, the refusal to address the fundamental drivers of prosperity, especially productivity and investment, led instead to loose money, asset bubbles, government debt, and now inflation.

As predicted, the unwillingness of national leaders to challenge the spread of the 'woke-industrial complex' is undermining our education system, academic inquiry, our prosperity, and ultimately our way of life.

It is the nature of the IPA's work that some of our research can take time to have an impact, because we are trying to secure Australia's freedom and prosperity for future generations.

It is also the case that politics is downstream of culture, and ideas and argument are needed if we are to influence the culture. There should, for instance, be no debate about economics, which doesn't also bolster core values like reward for effort, thrift, deferred gratification, and self-improvement. And indeed the individual as the champion of innovation, rather than the impersonal and overbearing State.

Your support for the IPA's work is the equivalent of a 'patient investor' in an entrepreneurial business. Results come over time in the changing attitudes of influential policymakers, a shift in the way everyday Australians talk about the issues that are important to them, in consistent media coverage despite the hostility of some in the industry, and changes in the positions of our elected representatives.

I was very pleased to be able to begin my term as Executive Director in July this year with a series of member events, to connect with a community of IPA members that invests in Australia's freedoms and its future. I look forward to meeting many more IPA members in coming years, as it is a community we are building, a community that some have called a 'coalition of the sensible'.

So let me share some of the important work that you are making possible at the IPA, why it is important and how your support of IPA research is having a real impact on Australian lives.

Reality bites but in it lies our hope

In our Australian tradition, Christmas is a time for family gatherings, sport, sun, celebration, and for some of us, a time for religious observances and passing on the story of Christmas to the next generation.

Arriving at the end of the year, it is also a time for us take stock of our progress through life, careers, relationships and spiritual development. We look at our material circumstances and ask: am I any better off than I was twelve months ago?

Sadly, this year the answer for the overwhelming majority of Australians will be – no. With

inflation at nearly eight per cent and energy prices skyrocketing, Australians are seeing the value of their wages and financial assets eroded as the cost of living spirals upward.

In the 'long boom' – 29 years of continuous economic growth – it was hard to draw attention to the risks and shaky fundamentals of our economy. But the IPA continued to do so, sometimes as a lone voice.

You may recall IPA Deputy Executive Director Daniel Wild pointing out that despite the surface shimmer of the Australian economy, in the decade since the Global Financial Crisis of 2008-09, approximately 60 per cent of Australia's economic growth was the result of population growth. Just 40 per cent was driven by productivity growth or changes to the labour force participation rate.

Daniel even challenged the idea that Australia was some kind of miracle economy able to side-step recessions. Despite the growth of our economy, the output per capita had indeed dipped a number of times.

As Daniel said in his usual straight-shooting manner: growing the economy by adding more people doesn't necessarily make the average person better off. It takes a sustained focus on productivity to guarantee that.

I am going back over the record because sometimes the relevance of IPA research is only revealed over time. We cannot allow the governing institutions of this country to escape accountability by pointing to COVID and the Russian invasion of Ukraine as the causes of all our woes. The problems were deep-seated, and the results foreseeable.

Inflation is what occurs when you destroy the value of money. As Milton Friedman, the great economist and promoter of the free enterprise system, once said: 'Inflation is always and everywhere a monetary phenomenon, in the sense that it is and can be produced only by a more rapid increase in the quantity of money than in output.'

(Interestingly, one of the objectives the founding IPA Board laid out in 1943 was 'to oppose the fallacy that the mere use of paper money or credit can take the place of productivity in determining material welfare'. The IPA has stayed true to its values for nearly 80 years.)

The IPA both criticised the RBA for pursuing that period of ultra-low interest rates (driving the asset price bubbles which hurt young Australians seeking to become homeowners) and pointed out that it could not last.

The IPA modelled a range of interest rates scenarios, finding that a five per cent overnight cash rate by 2030 could push Australia's annual interest bill to \$75 billion.

As I write, the official cash rate has been subject to several brutal increases, and already sits at 2.85 per cent, and the RBA Governor is belatedly talking tough on the perils of inflation.

More recently, an IPA analysis of Victoria's perilous finances broke through the wall of silence surrounding that state's economic management, with long-serving 3AW journalist Neil Mitchell writing in *The Sunday Age*:

The Institute of Public Affairs has assessed the economy and produced a document of disaster. Admittedly, this is a right-leaning organisation. But the figures have not been disputed [emphasis mine]. It found Victoria had the largest state budget deficit in the nation, the largest state government debt, the highest level of taxation, the fastest growing spending rate and the fastest growing public service bill. And remember, the more debt, the more interest has to be paid. That means less money to spend on

police, hospitals, and education. It means higher taxation to pay the bill.

The IPA does not focus on economics as a dry, abstract exercise. Inflation takes a huge toll on household budgets. In fact, Australians are facing the double whammy of spiralling electricity and gas prices, just as the value of their money is declining.

I discussed in an article I wrote for the Inquirer section of *The Weekend Australian* how the new federal Labor government has doubled down on policies that IPA research shows will further undermine the reliability and affordability of our electricity supply system. It is an indictment that an increasing number of Australians are facing choices between purchasing food and paying energy bills, and all for no good reason.

Someone else who understands the link between culture and politics is Chetna Mahadik, who you hear from every Thursday in the consistently thoughtful and informative *IPA This Week* email to members. I wanted to share my favourite example:

Every Indian over the age of 30 instantly recognises the term 'Licence Raj', which referred to the bureaucratic overlords who replaced colonial power in India. In the first 50 years of India's independence, they gained immense power, thanks to the socialist government's labyrinthine licensing requirements for any and every entrepreneurial activity.

It was only with the dismantling of the Licence regime in India in the 1990s that ordinary Indians were finally free to take charge of their destiny. And it has led to an absolute unleashing of human potential – with GDP per capita tripling in less than 30 years.

Yet even as India is unleashing its potential, Australia is in danger of walking into a similar trap with the *Climate Change Bill 2022* introduced before Federal Parliament this week.

The legislation mandates a 43 per cent cut to Australia's emissions by 2030, and for emissions to be net zero by 2050. By enshrining this target in law, the Labor government is handing an awful weapon to green groups to disrupt and cancel major resources projects through vexatious litigation.

A new breed of 'green overlords' who will use the vast powers gifted to them through this legislation to undertake legal proceedings against coal, gas, and infrastructure projects on the grounds that emissions from those projects will stop Australia reaching net zero.

Recently, I was at Parliament House in Canberra (representing the IPA) to hear Peter Dutton's budget reply in person. Speaking just twelve months after the Morrison government unveiled its 'roadmap' to net zero, his speech was a welcome shift in his party's emphasis, as he used language not a million miles from that propagated in IPA research:

Labor is going to phase out coal and gas before the new technology has been developed and rolled out.

Labor's push for 82 per cent renewables by 2030 comes without a plan to ensure reliable baseload power.

Labor is misleading Australians when it says it can roll out billions of dollars' worth of transmission wires, cables and towers for renewable energy in the next few years.

I quote this not to endorse any particular party but as evidence that the tide is slowly shifting

in national political debate – and you have made it happen through your commitment to support research from the IPA that puts the freedom and prosperity of Australians foremost.

IPA research suggests Australia should repudiate net zero by 2050 as the goal of national policy, and instead put the focus on energy security, affordability, and maintaining our international competitiveness.

And while gaining welcome momentum, it only means the IPA must double its efforts to provide analysis that can guide our policymakers towards an energy policy that benefits all Australians. I hope you will continue to support us through this journey.

The Australian way of life

Early this year, the IPA formally launched the Centre for the Australian Way of Life in Sydney. Something that the wonderful Senator Jacinta Nampijinpa Price told IPA members and supporters on the occasion perfectly encapsulates all that unites us as Australians:

We share a deep love for this nation of opportunity. In particular, we hold dear the shared Australian values we have all contributed to, since our nation was first settled, and we share a desire to improve our Australian way of life for the benefit of us all.

The IPA launched the Centre to celebrate all that is best in our country and dispute the narratives that seek to divide us.

At the event we also had the honour of dedications by Gina Rinehart AO, and Lachlan Murdoch, co-chairman of News Corp.

Mrs Rinehart is an Honorary Life Member of the IPA, recognised for her leadership in business, contribution to Australian society, and commitment to the work of the IPA. Her address was inspirational, and reflected her own deep patriotism:

The launch of the Centre for the Australian Way of Life, as I see, it is a very important opportunity to recharge ourselves. We all know what the problems we face are, but what's not often talked about is why we value our country and should try much harder to address such problems. Let's all of us start this recharging tonight. Let's be reenergised to be proud of our pioneers. Let's be proud of our ancestors and their contributions to build this country.

Let's be proud of our defence force, who showed and show great bravery and courage, sacrificing everything in their fight for our fragile miracle, our freedom. Let's warmly thank them for their service whenever we can, and be excited that their spirit lives on in us: hard work, mateship, striving through adversity, not wanting handouts, common sense. Fantastic qualities that built our nation and can still be seen in many of us.

Lachlan Murdoch also put the emphasis on national unity:

The way Australians are identified should not be political, nor economic or be determined by class or education, race or sex or whether a person is a new immigrant or members of the nation's oldest peoples.

An Australian identity unites all of us. Together we are strong. Divided we are weak.

In that spirit, one of the first products of the Centre for the Australian Way of Life was a simple but inspired booklet: *One & Free*. It is a short guide to the ten most significant events

and achievements that make us proud to be Australian.

I want to share an extract from the preamble of the booklet with you because it carries within it the spirit that guides all of the Centre for the Australian Way of Life's projects: 'Australia has always been stronger when we as a community are united around our shared values of freedom, democracy, and egalitarianism. It is these values which have bound us together in times of hardship, enabled us to overcome division, and which have attracted millions to our fair and tolerant society.'

It is not a radical statement. It is what most Australians already believe about our country. But too often they are denigrated for holding these beliefs by our taxpayer-funded institutions and the *intelligentsia*.

Through its research, the Centre will be a force in the cultural debates shaping the nation, informing mainstream Australians so that they can confidently hold on to time-tested Australian values and stand up for them, when needed.

I am delighted that so many of you reached out to the IPA to congratulate the IPA team on the booklet and to request additional copies to distribute to friends and family, particularly children and grandchildren.

(If you haven't got a copy of *One & Free* or would like more copies to give out, you can get in touch with Claire at the IPA on 03 9600 4744.)

One of the achievements of Australia that *One & Free* highlights is our history of successful integration of migrants into Australian society.

Someone who understands this is IPA member Christo Moskovsky, who migrated from Bulgaria to Australia in the 1990s. In fact, he called out the relentlessly negative view of Australia taken by taxpayer-funded cultural institutions in an article for the *IPA Review*. I want to share it with you here because it so beautifully describes what Australia means to new immigrants:

These unfavourable judgements are almost invariably provided by ethnic Anglo-Australians, most typically representing the country's political and cultural elites. These are affluent and privileged individuals who have gained the most from Australia's success and prosperity. Immigrants' perceptions are quite often in stark contrast. Put simply, most immigrants like Australia and her people.

We are very comfortable building a new life here.

In the eyes of most new Australians, Aussies are exceptionally decent, down-to-earth, tolerant and accepting – perhaps more so than any other nationality. Ordinary Aussies are highly egalitarian, completely irreverent to authority, thoroughly loyal to their mates.

It is for people like Christo and millions of immigrants like him who have migrated to Australia in search for freedom, prosperity and equality – and the many millions who are yet to come – that the Centre for the Australian Way of Life is so important.

Because Australia is much more than the mere ethnicity of the people who inhabit it. Our sense of ourselves as a nation also arises from a shared set of fundamental values that have brought prosperity and dignity to all those who embraced them.

The Centre's activities – be it the publication of *One & Free* or *Essays for Australia* or

podcasts such as *Australia's Future with Tony Abbott* – focus on generating a positive dialogue on Australia for the next generation of Australians.

Race Has No Place in Australia's Constitution

There is no bigger challenge facing the all-important Australian value of equality today than the government's proposed referendum on changing the Australian Constitution to introduce a race-based Voice to Parliament.

IPA research was the first to highlight how the government was stacking the decks in favour of the 'Yes' campaign. The federal government, in its 2022-23 budget, announced it would allow the campaign in favour of the Voice to Parliament to receive tax deductible donations. Yet no corresponding concessions were made to the 'No' campaign.

Like many IPA members I am deeply troubled by the risk to our way of life, and indeed our entire system of liberal democratic government, from the proposed Voice to Parliament. I encapsulated the IPA's deep misgivings against this divisive and flawed proposal in an article for *The Daily Telegraph*:

The one question Australians must ask themselves is whether racial classification should determine who can, and cannot, participate in this unique means of influencing how our laws are made.

There is a real possibility that the Voice may in fact cover all laws, all proposed laws and all aspects of government administration.

Migrants to our country have a pathway to citizenship, so they will have equal political rights with those who were born here.

There is something wrong with a Constitution that permanently divides a population by race.

Part of the problem is that the relentless encroachment of identity politics into our schools, universities and workplaces means that Australians are no longer sure whether they are allowed to say 'No' to enshrining racial division in our Constitution.

Which is why an important part of the IPA's work so far has focussed on introducing mainstream Australians to public and intellectual voices – both Indigenous and non-Indigenous – that confidently question the wisdom of permanently dividing Australians on the basis of race.

I hope you will by now have seen the IPA research videos produced with Senator Jacinta Nampijinpa Price, Senator James McGrath, and academic and public intellectual Dr Anthony Dillon. And if you haven't already, I hope you can share them with your friends and family.

These are all important voices. Both Senator Price and Anthony Dillon take intense pride in their Indigenous heritage but that has not stopped them from speaking out against the Voice because they – like you and I – see that the commonalities between Indigenous and non-Indigenous Australians far outweigh the differences, and that should always remain the focal point of our governing bodies.

As you know, John Roskam is now a Senior Fellow at the Centre for the Australian Way of Life, and he has commissioned an exciting series of essays for the second volume of the Centre's flagship publication, *Essays for Australia*. Not least amongst them is one by Senator

Price who writes of the:

... attitude we hear with platitudes of motherhood statements from our now Prime Minister, who suggests, without any evidence whatsoever, that a Voice to Parliament bestowed upon us through the virtuous act of symbolic gesture by this government is what is going to empower us. This government has yet to demonstrate how this proposed Voice will deliver practical outcomes and unite, rather than drive a wedge further between, Indigenous and non-Indigenous Australia.

And, no, Prime Minister, we don't need another handout, as you have described the Uluru statement to be. No – we Indigenous Australians have not come to agreement on this statement, as you have also claimed. It would be far more dignifying if we were recognised and respected as individuals in our own right who are not simply defined by our racial heritage but by the content of our character.

Our research will highlight existing and emerging thought leaders identifying the deep-seated problems with the Voice to Parliament – through books, articles, essays, videos and podcasts. If the referendum does proceed and there is a 'No' campaign, these arguments will form an important part of the case against the Voice.

Indeed, 2023 will be one of the most critical years in Australia's political history and the IPA is determined to ensure the country doesn't stray from its egalitarian roots, which have served so many generations of Australians so well. This work is only made possible by you – so thank you.

Inspiring young Australians

One of the reasons the IPA published *One & Free* is because it provides a necessary counterbalance to an education system obsessed with identifying racism and sexism in modern day Australia and teaching the 'black arm-band' view of Australian history.

As IPA research through the Foundations of Western Civilisation Program and more recently the Class Action program has revealed, young Australians are presented with a relentlessly negative view of Australian history and society both in schools and universities.

You know that this is wrong – engendering in children such a poisoned view of their history and background (and suspicion of their compatriots) cannot be good for either their development or the country's future. Which is why you have been so committed in supporting IPA research on this front.

As with the IPA's work on Australia's economy and energy policy, there is a shift in attitude taking place in sections of our political class. It became apparent, again, with Peter Dutton's budget reply in which he categorically called out the influx of 'radical gender theory' and identity politics in the National Curriculum.

As I recalled in a recent Friday email to you, many on the government benches literally groaned when Peter Dutton made that claim and used that phrase. Perhaps this reaction was secretly caused by the fact that they know – this is how mainstream Australians feel.

Earlier, those in charge of the National Curriculum could ignore ordinary Australians on this issue because both sides of politics were happy to maintain a silence on it. When Dr Bella d'Abrera, Director of the IPA's Foundations of Western Civilisation program, first called out the draft National Curriculum for declaring Anzac Day and Australia Day 'contested' ideas,

their tactic was to make the minimum changes necessary to mollify the public, and otherwise continue as if nothing had happened. But if more figures like Peter Dutton align themselves with mainstream Australians on this issue, the status quo can be overturned.

IPA members would know it was also Dr Bella d'Abrera, who first identified the influence of radical gender theory and critical race theory in the National Curriculum. As Bella told the media after Peter Dutton's speech:

Up until now the views and concerns of Australian parents about what their children are taught have been ignored. A poll released today reveals that even in Victoria, education ranks as a higher priority for voters than the environment and climate change.

When it comes to education, the Liberals completely wasted their time in government as student performance declined and a radical National Curriculum was implemented that teaches young Australians to be ashamed of our country and Western Civilisation.

If our leaders are looking for research showing the extensive politicisation of Australian education, they need look no further than the IPA's Class Action research and outreach program, which was launched in July 2022.

Recently, you heard from the new National Manager of Class Action program Colleen Harkin who, in an email, explained the objective of Class Action:

Class Action will provide resources to empower parents and students with knowledge and capabilities to become independent and proud citizens, and to be exposed to a balanced and positive reflection of Australia, its history and place in the world. It will challenge the National Curriculum to offer a higher quality education that will lead to improvement in education outcomes.

Colleen has been both a primary and secondary school teacher, holds a Master in Education, and has been an education consultant both in Australia and Japan. She was an IPA member even before she joined the IPA, and has run her own successful small business. She has the initiative and the passion for change necessary to make Class Action a success.

It was just over ten years ago that the IPA published a critique of the original National Curriculum and called for its abolition. While IPA research influences debate at a national level, Class Action ensures this research makes an impact more directly at a local level.

Your support has enabled us to adapt our approach and engage concerned parents and teachers. And of course, the IPA's impact does not end when students finish school.

Through IPA's long standing program Generation Liberty, young Australians continue to have a space to share ideas of liberty and freedom and develop the habits and attitudes that result in a successful life.

As you know, Generation Liberty was established in 2015 with three objectives:

- To build a digital community of young Australians exchanging the big ideas of a free society through engagement with IPA research.
- To establish a network of Campus Coordinators at the nation's universities, organising events and debates, defending the principles of free speech and academic inquiry, and challenging the woke orthodoxy.

- To inspire them with the ideas and values that help them be responsible and productive citizens of Australia.

A critical step in taking Generation Liberty to new heights was the appointment of Brianna McKee this year as a Research Fellow and National Manager of Generation Liberty.

In the short time Brianna has been in the role she has organised successful Generation Liberty events in Canberra, Gold Coast, Melbourne, Perth, and Sydney, and brought more young Australians into our fold.

Brianna is currently undertaking research into how our taxpayer-funded universities continue to stifle free speech on campus, and the spirit of academic inquiry. Having only been in the workforce for a few years, her understanding of what is happening on campus and among young Australians is acute, as evidenced by an article she wrote for *The Spectator Australia*:

The Age of Anxiety has dawned. While this may be easy to dismiss as a natural corollary of the recent pandemic, when one looks a little closer, it's not hard to see where this phenomenon manifested and where it is sustained.

In 2021, The Lancet published a global survey of responses from 10,000 young people, which found that 84 per cent of young people aged between 16-25 were 'moderately to extremely worried' about climate change. More than 50 per cent of respondents reported feeling sad, anxious, angry, powerless, helpless, and guilty.

Over 75 per cent said that they think the future is 'frightening'. Climate anxiety and distress were correlated with perceived inadequate government response and associated feelings of betrayal.

Yet despite decades of technological and medical advances and the raising of hundreds of millions of people out of poverty, the natural question that arises is, where did this anxiety come from?

You need look no further than our education system and what is being taught to students of all ages on a daily basis.

But here again, IPA research is relevant and is making a difference, including through ground-breaking programs like IPA Adjunct Fellow Dr Peter Ridd's *Reef Rebels*. The work of IPA Senior Fellow Dr Jennifer Marohasy and Dr Ridd directly challenge much of hyperbole peddled by schools and universities, be it sea level rises, extreme weather events, or the state of the Great Barrier Reef. (In case you missed Dr Ridd's commentary earlier this year, the Australian Institute of Marine Science has finally admitted that the coral cover on the Great Barrier Reef is at a record high.)

My vision for 2023

I hope this letter gives you an insight into how the IPA is planning to take your values forward in 2023.

This has been a year when reality has finally hit home. Australians are looking to understand what has gone wrong with their economy, energy system, the education of their children. Thanks to your support of IPA research, we have the answers they are looking for. As more

and more institutions within Australia become woke or fall silent, the IPA is needed more than ever. My conversations with you in person, via email, and by letter, give me great heart that I am not alone, and, as IPA member Robert said, sanity can prevail!

Which is why I am asking you to generously make a donation to the 2022 IPA Christmas Appeal. You can make a tax deductible donation to support IPA research in one of the following ways:

1. **In the post:** By returning the enclosed donation slip in the supplied envelope
2. **Online:** By donating at ipa.org.au/christmas or by making a direct deposit into our bank account below:

Account name: Institute of Public Affairs

BSB: 083-091

Account number: 17 229 3428

Please put your name in the 'Description' field

3. **Over the phone:** By calling Claire Peter-Budge at our office on 03 9600 4744

For nearly 80 years the IPA has remained true to the values of freedom, enterprise, and individual rights, which have produced unprecedented prosperity and human flourishing across the globe.

It is because of you that the IPA will continue to do so in 2023 and for many years to come, and so secure freedom for the next generation.

I wish you a very Happy Christmas to you and your family, and all the best for the new year.

Thank you for your support.



Scott Hargreaves
Executive Directors