PARLIAMENTARY RESEARCH BRIEF

Institute of Public Affairs

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Costello warns of Australia's self-inflicted economic fallout

The Institute of Public Affairs has released a compelling second entry of *The Prosperity Question*, featuring former federal treasurer Peter Costello and IPA Chief Economist Adam Creighton's discussion of the top economic policy issues confronting Australia.

Mr Costello warned Australia was falling behind despite the extraordinary advantages bestowed by its natural resources and favourable terms of trade. He argued:

- We used to lead the pack, but we are falling behind because of problems that are nearly all self-inflicted.
- Interest rates will rise "until such time as we have some pretty significant economic fallout… and we will have some pretty significant economic fallout."
- Increasing the GST so that government can spend more is not "reform".



The IPA's *Prosperity Question* series has quickly become an agenda-setter in the national contest of ideas. You can view and subscribe to the podcast here.

Digital duty of care laws are unsalvageable

Planned internet censorship legislation should be abandoned, according to IPA analysis submitted to a Senate inquiry into the Online Safety Amendment (Digital Duty of Care) Bill 2026.

The IPA's analysis of the legislation highlighted a range of problems with the government's plan, including that:

- The regulatory architecture of the bill would give government extraordinary direct and indirect control over content on the internet.
- The wide scope of the duty entails excessive and opaque discretionary powers for the government.
- The "risk" provisions will powerfully influence the governance of online services and the rules under which Australians communicate online.
- The duty would establish a surveillance regime in service of propagating ever more sophisticated controls over content and features.
- The government's political motivations for the law highlight that government cannot be trusted with these powers.

Despite some changes that have been made since the release of the earlier exposure draft of the bill, the dangers to freedom of speech cannot be removed from the proposal because its structure itself demands high levels of government intervention and control over online communication.

You can read the IPA's research submission to the Senate Inquiry here.

Reservations with gas reservation laws

Research by the IPA has warned that proposed legislation requiring gas exporters to be licenced and to reserve a specified amount for domestic supply could risk exacerbating laggard investment and reinforce market distortion caused by Australia's onerous regulatory and policy conditions.

In analysis submitted to the Senate inquiry into the Domestic Gas Reservation Bill 2026 and related bills, the IPA argued that the federal government must first wind back excessive regulatory barriers deterring investment in the first place.

The analysis highlights the perils of overregulation and environmental lawfare which raise investment uncertainty for new projects. The submission concludes:

> Adding a gas reservation policy on new projects on top of these existing regulations and legal risks will only add to investment uncertainty and would undermine the overarching goal of the bills, which is to provide a larger supply of gas, as a dispatchable source of energy, for the domestic market.



The analysis is available at the IPA website here.

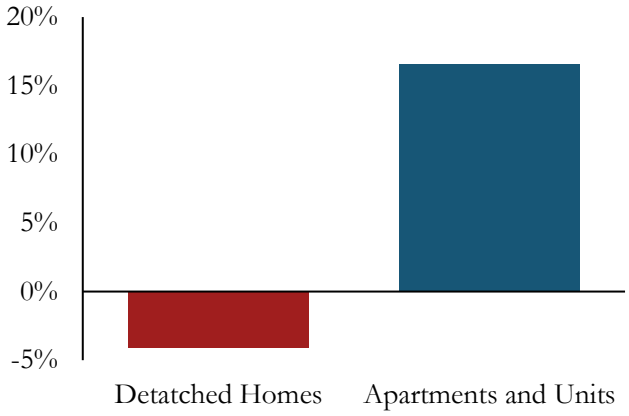
New house builds going backwards

Housing completions data reveals Australia's housing market is increasingly preferencing smaller, higher density units and apartments, as the number of newly completed detached homes is in decline.

IPA analysis of Australian Bureau of Statistics data found in the 2025-26 financial year:

- The number of detached homes built was 4.1 per cent lower than the previous year.
- The number of higher density dwellings (units and apartments) was 16.6 per cent higher than the previous year.
- A decade ago in 2015-16, housing completions was 201,652. In 2025-26 it was 180,500.

Chart: Percentage change in housing completion numbers between 2024-25 and 2025-26



Governments have responded to the housing crisis by shifting to the types of dwellings that most Australians do not aspire to live in and which are not conducive to starting a family.

This analysis is available at the IPA website here.

All IPA research is available at ipa.org.au