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Institute of Public Affairs | Australia's leading free market think tank

17 June 2016

IPA: TEN COMMITMENTS WE NEED TO HEAR THIS ELECTION

Australia's leading free market think tank, the Institute of Public Affairs, has today released a list of the top ten policy commitments it wants to see in this election campaign.

"While the major party leaders have been moving around the country since early May making announcements on items including company tax, childcare and grants for sporting facilities, there are ten topics of real significance that have barely rated a mention," says Brett Hogan, Director of Energy and Innovation Policy at free market think tank the Institute of Public Affairs.

"With a little over two weeks to go until Election Day, and with many commentators complaining about a lackluster campaign, the IPA has decided to help Malcolm Turnbull and Bill Shorten out."

"Australia needs policies that reduce the size and footprint of government, and give the private sector the confidence to establish and run businesses, as well as to continue to invest and employ people."

"Cutting government spending, reducing red tape, pursuing meaningful workplace relations reform, and repealing laws that pit people against each other, should be some of the leading principles guiding the Australian Government after 2 July."

The Institute of Public Affairs wants to see the following ten commitments made by both major parties:

- 1) Permanently cut government spending to finance ongoing personal income tax cuts
- 2) Repeal Section 18C of the *Racial Discrimination Act*
- 3) Permanently reduce red tape
- 4) Reform workplace relations to empower employees, employers and contractors
- 5) Audit the Bureau of Meteorology's climate methodology to ensure best practice research
- 6) Conduct a cost-benefit analysis of the Murray-Darling Basin Plan
- 7) Reverse promised superannuation tax increases
- 8) Support and promote cheap and reliable energy
- 9) Ensure race has no place in the Constitution
- 10) Return powers over taxation, health and education to the states.

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Appendix

1. Permanently Cut Government Spending to Finance Ongoing Personal Income Tax Cuts

The Australian Government is too big and spends too much money. Superfluous spending commitments drive the need for additional tax revenue, and do nothing to encourage people to take greater responsibility for their own lives.

Both sides of politics should commit to permanently cut government spending to at least the pre-GFC level of 23.1 per cent of GDP to fund ongoing personal income tax cuts.

2. Abolish Section 18C of the *Racial Discrimination Act*

In 2012, the Coalition Opposition promised to repeal Section 18C of the Racial Discrimination Act which makes it unlawful to: "offend, insult, humiliate or intimidate another person or a group of people" due to their "race, colour or national or ethnic origin." This commitment was abandoned in 2014.

Taking offence or feeling insulted should not form the basis of being able to sue another person for racial discrimination. The *Racial Discrimination Act* must be repealed to remove these provisions once and for all.

3. Significantly Reduce Red Tape

Recently released Institute of Public Affairs research found that red tape has an economic cost to Australia of [\\$176 billion per year](#) or 11 per cent of GDP. Red tape reduction shouldn't just be a box ticking exercise to get through an election campaign and State and Local Governments should not be exempted from scrutiny.

As part of a comprehensive effort to reduce the size and influence of government in Australia, policy makers should commit to permanently reduce red tape by cutting spending, abolishing regulatory bodies, reducing payments between different levels of government, getting out of the subsidy business and removing itself as an intermediary in business relationships.

4. Reform Workplace Relations to Empower Employees, Employers and Contractors

Limiting the scope of workplace agreements, lifting restrictions on individual contracts, tightening right of entry rules, curtailing the role of the Fair Work Commission, untangling safety nets and ensuring unions and employers are not able to use their bargaining or industrial power to pervert markets are just some of the topics that warrant attention.

The goal of Australia's workplace relations system should be to empower employers, employees and contractors to make mutually beneficial agreements backed by a single, simple set of minimum standards.

5. Audit the Bureau of Meteorology's Climate Methodology to Ensure Best Practice in Research

Public confidence in the Bureau of Meteorology is vital, given the organisation's important role in temperature monitoring, and the management of natural disasters. However the credibility of some of its recent work has been called into question given its practice of retrospectively adjusting historical temperature records to account for non-climatic variables.

In order to ensure the maintenance of public confidence in its work and promote best practice research, the Australian National Audit Office should conduct a performance audit of the procedures, and validity of the methodology, used by the Bureau of Meteorology in constructing Australia's official historical temperature record.

6. Conduct a Cost-Benefit Analysis of the Murray-Darling Basin Plan

In mid-2015, a Senate [Select Committee](#) heard that under the Murray-Darling Basin Plan, which was conceived during one of Australia's worst droughts, the amount of water made available for farmers has been reduced, resulting in a significant price increase, for little environmental benefit.

Given that no independent cost-benefit analysis of the Plan's impact has ever been conducted as well as the economic and social value to Australia of its farming families and communities, the Productivity Commission must be asked undertake a full cost-benefit analysis of the Murray-Darling Basin Plan.

7. Reverse Promised Superannuation Tax Increases

In the last 12 months, both the Coalition and Labor have announced plans to increase taxes on superannuation. While details differ for each party, neither policy blueprint will advance the cause of independent living in retirement free of government support.

There needs to be a bipartisan acknowledgement that planned increases in superannuation taxes are a mistake that should be reversed.

8. Support and Promote Cheap and Reliable Energy

Despite Australia's considerable coal, gas and uranium reserves, its low cost energy advantage has slipped in recent years as policy makers copy the fad in other developed nations of prioritising the pursuit of renewable energy targets, ahead of reliability and affordability.

Locking Australia into high-cost energy for decades by supporting technologies that are unable to compete in a free market is not wise policy. Policy makers should not be in the business of mandating which sources of energy are allowed to compete in the marketplace and should instead seek to create a regulatory system that encourages genuine competition between technologies, with consumer demand rather than government fiat determining successful providers.

9. Ensure Race Has No Place in the Constitution

Proposals to insert new clauses into the Constitution that refer to Indigenous Australians by their racial background, give Government new powers to legislate on the basis of race, or that seek to initiate a treaty with Aborigines and Torres Strait Islanders, are a mistake and should be firmly rejected.

All Australians, regardless of their background, must be treated equally by government and the law. Race has no place in the Australian Constitution.

10. Return Powers over Taxation, Health and Education to the States.

Currently in Australia, the Federal Government collects around [80 per cent of taxation revenue](#) but the States are still expected to deliver health, education, law and order and other services, as well as oversee and often fund major infrastructure projects.

The lack of clear responsibilities between the States and the Commonwealth, particularly in the policy areas of health and education, encourages cost shifting and discourages political accountability.

Competition and diversity between jurisdictions is the hallmark of many federations. The next Australian Government should set out a timeline to return a proportion of income tax revenue and powers, as well as responsibility for health and education policy, to the states.