IPA’s 60th Year

Australia’s first think-tank

The IPA is proud to announce that we are celebrating our 60th anniversary this year. The Institute is Australia’s, and arguably the world’s oldest think-tank.

Born during the gloom of the Second World War, there was a general feeling that Western democracies would need improvement and major modifications to survive. There was talk of a need for a ‘New Social Order’, and a concern for the future. In Australian political and academic circles there was overt hostility towards capitalism in general and big business in particular. The reality was that there were real pressures at work within the Australian industrial system at a time of acute crisis.

It was in this social context that in September 1942, a meeting of Melbourne businessmen at the Victorian Chamber of Manufactures appointed a committee to submit proposals for an organisation to be known as the ‘Institute of Public Affairs’. It was felt that businessmen had to go on the offensive and explain to the public the virtues and benefits of private enterprise.

The Institute officially commenced business in October 1942 but it was in the beginning of 1943 that capital was raised and an office had been established at Carlow House in Flinders Lane. Although similar institutes were set up in other states soon after, the IPA was the first in Australia. The inaugural Council of fourteen was drawn exclusively from the Melbourne business community under the chairmanship of GJ Coles. The staff was small, with Charles Kemp as the driving intellectual force in the early years as economic adviser. Over the next four years the IPA published six substantial monographs, some of which had considerable influence on post-war policies. The basic policy prescription in these publications were entirely consistent with today’s IPA. It recognized:

• an urgent need to discontinue government controls over economic activity;
• primacy of full employment;
• acceptance that prosperity comes from increased production;
• acceptance that all wealth is created in the private sector;
• that there are both rights and responsibilities for both employees and employers.

In March 1947, the first edition of the IPA Review was published. Within two years its circulation had gone from an initial 11,500 to 18,000. All evidence suggests it was very effective in disseminating its ideas.

With the defeat of the Chifley government in December 1949, the immediate post-war period in Australia came to an end and with it the first phase of the IPA was over.

There is much evidence of the influence the IPA had at this time, both on thinking of members of the Menzies government and on industrial relations with the unions through the annual leave and the forty hour week arbitration cases. The detailed writings on increased production and productivity undoubtedly assisted in achieving a 1947 consensus on the primacy of this objective.

Whilst following economic and social prescriptions that 60 years on still appear to be the correct way to go, it is true that the perceived dangers of socialism to Australia at that time were overestimated. The IPA nevertheless helped business come to terms with the need for change in both the economic and social spheres, and can lay claim to being Australia first ‘think-tank’.

Looking back, the IPA was probably the most consistent and persistent non-government body involved in the broadest questions of post-war reconstruction. It was concerned with both economic and social issues. In its own public statements, the Institute referred to itself as a ‘non-political body’ designed to ‘inform the public mind, to raise the level of economic literacy in Australia and to improve industrial relations and the efficiency of private enterprise’.

The IPA is proud that it has consistently pursued these objectives for 60 years.
The IPA organized a successful and very well attended Conference on bushfire prevention. The Conference was held in response to the catastrophic bush fires experienced over last summer throughout eastern Australia.

Aware of the ground swell of anger—by farmers, the timber industry and a range of bush users from miners and bee-keepers to recreational bushwalkers—at mismanagement of state forests and parks, it was thought timely to bring a national Conference, and the concerns of the bush, to the city.

Great interest from the media was generated [see Stop Press, pp 7-8], suggesting that there is still a lot of concern in the public mind.

The program was divided into two parts; the view of the scientists, and the view from the bush.

In the first bracket, three scientists laid out some of the hard facts concerning fuel build-up and the effects of managed, prescribed burning, not only as a way to protect flora and fauna, but to diminish the intensity and frequency of spot fires.

Dr Phil Cheney, CSIRO Forestry and Forestry Products, spoke on ‘Effectiveness of Prescribed Burning on Reducing Fire Behaviour’; Dr Syd Shea, Professor of Environmental Management, University of Notre Dame Australia on ‘The Ecological Basis For The Use Of Prescribed Fire In Australian Ecosystems’; and Dr Kevin Tolhurst, School of Forestry, University of Melbourne on ‘Prescribed burning in Victoria: Policy and Practice’.

The second part of the Conference gave voices from the bush a chance to express what they felt were some of the causes of the catastrophic losses they had witnessed, both to them and those around them. Speakers included Mr Ian Mott, 3rd Generation Forest Owner and ‘bush lawyer’ on ‘Planning for disaster: Regulations Prohibiting Reasonable Precautions’; Major [Rtd] Russell Smith, Resident of Bundarrah Valley, NE Victoria on ‘Personal Viewpoint of Public Land and Firefighting Management’; and Mr David Coonan, Vice-President and Secretary, ACT Sustainable Rural Lands Group Inc. on ‘Was Tenure and Land Management a contributor to the ferocity of the January 2003 fires in the ACT?’

Several country-based organizations presented short statements from the floor to add to the picture of dissatisfaction and anger.

To conclude the Conference over drinks, Andrew Bolt, Associate Editor, Melbourne Herald Sun, gave a provocative talk on ‘Green Religion and Black Forests’, drawing out some of the political implications and reasons behind the sometimes insane and wrong headed anti-empirical approaches State governments adopt in managing our forests.

Springing from the Conference was a sentiment that the ball of protest needs to keep rolling. It was gratifying to learn that on the very same day an announcement was made that there will be a federal inquiry into the summer’s bushfires. The IPA will be making a submission.

Full houses were experienced at both the Bushfire and Greenhouse Conferences.
The IPA held a series of international Climate Change Conferences in Melbourne, Canberra and Perth. They were all well attended, and feedback was positive.

The main Conference, held in Melbourne on 28 February, 2003, ‘Beyond Kyoto: Economic Impacts and Alternative Mitigation Strategies’, was made up of fourteen speakers, including speakers from France, Canada, the United States and New Zealand. The Hon. David Kemp, Minister for the Environment and Heritage, gave an outline of government policy and opened proceedings.

Given the distortions in the current debate over greenhouse issues, and the weakening of various business interests in resisting a costly but as yet unproven strategy for averting global warming, the Conference was considered timely and valuable. The quality of papers presented underlined the need for a clear, articulate analysis of the science in relation to the settings of the Kyoto Protocol, and the uncertainty in predicting outcomes of any future implementation.

The various models presented demonstrated a wide range of predictions that make any outcomes less than clear, whilst proposals to reduce emissions left much doubt as to their effectiveness. Professor Ian Plimer, who considered the larger geological time-scale on climate events, make a mockery of apparent attempts to control the planet’s climate.

The Conference was organised in partnership with the Australian Greenhouse Office, the Electricity Supply Association of Australia and the International Council for Capital Formation. The IPA would like thank these organizations for their support.

All available papers from the conference can be found on the IPA website at www.ipa.org.au.
NGO Project Report
US FOUNDATION FUNDING IN MALAYSIA
by Mike Nahan
US foundations give generously to many Malaysian organizations. While this is in general to be welcomed, there are a number of disconcerting aspects to the pattern and nature of this funding.
This report analyzes in detail the governance structure, funding and performance in Malaysia of these organizations. The author also makes recommendations on a number of policy reforms which the Malaysian Government and Malaysian NGOs should consider.
January 2003, No.1. rrp A$13.20

IPA Backgrounder
PETROLEUM REFINING: RATIONALIZATION OR ATROPHY
by Jim Hoggett
Petroleum refining in Australia was described in a recent Commonwealth government report as an industry ‘in crisis’. The crisis is not of the dramatic, action movie kind. It has been brought about by the slow accumulation of competitive disadvantage over decades. The causes are partly external. The building of giant, modern refineries across the globe renders much of our plant virtually obsolete.
Our response has been to regroup, to invest in upgrades and to run our plant as close to capacity and as lean as possible. There are limits to the efficiency gains in this. Moreover, export markets offer very limited scope for us to increase the scale of production.
The next step must be to facilitate an increase in domestic scale by the merger of operations and the shutdown of some refineries. This will require courage on the part of industry. It will also require government and the regulators to contemplate a different future rather than clinging to the past.
The alternative is atrophy and eventual death of this highly productive sector. This paper explores the predicament of this industry and the survival options open to it.
March 2003, Vol. 15/1, rrp $13.20
Also available at www.ipa.org.au

IPA Backgrounder
THE GOOD REPUTATION INDEX: A TALE OF TWO STRATEGIES
by Gary Johns
A fundamental objective of measuring corporate reputation is to regulate corporate behaviour. Faced with vocal constituencies who want to divert the corporation from its commercial objectives, the corporation can choose one of two strategies; to play the reputation measurement game, or not. This Backgrounder reviews the Fairfax published Good Reputation Index, and argues that the Index should be construed in terms of a competition between the state as the regulator of ‘acceptable’ corporate behaviour, and advocacy NGOs and the media as regulators of ‘good’ corporate behaviour. It concludes that corporations who played the game were rewarded with a good label; those who refused were labelled as bad. The Index is poorly administered, lacks objectivity and confuses reputation with performance.
April 2003, Vol. 15/2, rrp $13.20

International Conference
The Institute of Public Affairs and the American Enterprise Institute will jointly host
The International NGO Phenomenon
Washington DC, June 2003
The IPA is proud to announce a Conference in Washington in June, to be held in conjunction with The American Enterprise Institute for Public Policy. Based on the vital question in democratic politics of the nature of the voice of the people, the Conference will examine a range of issues concerning the rise of civil activism that has been fuelled by rising wealth, spare time and income to devote to political activity, that has the potential to undermine constitutional democracy.
International speakers will include:
Professor Jarol Manheim, George Washington University.
Dr Steve Milloy, Cato Institute and Principal, JunkScience.com
Professor Jeremy Rabkin, Cornell University, New York.
Marguerite Peeters, Brussels.
David Martosko, The Center For Consumer Freedom, Washington DC.
Richard Tren, Africa Fighting Malaria, South Africa.
Dr Gary Johns, Dr Mike Nahan, IPA, Australia.

Further speakers and complete program are still being finalised, and will be announced.
The Hon. Alan Stockdale, the new Chairman of the Institute of Public Affairs, launched John Hyde’s book, *Dry: In Defence of Economic Freedom* at the IPA on 10 December. This was his first public function as Chairman.

In his opening words on the book, Alan underlined the importance of the movement that John Hyde writes about. ‘The core beliefs of the Dries go to the very value of human individuality. Interventionist governments deny their citizens many kinds of freedom, not just economic freedom.’

He went on to outline the important common threads that the IPA shares with the Dry movement in Canberra. ‘We share two things with John Hyde and the Dries. We believe in the importance and strength of ideas as an influence on government, indeed, on life. We believe that articulating those ideas will be of benefit to society; that advocacy will determine outcomes, that ideas and our efforts to spread them have practical effects on people’s lives.

Clearly, the ideas the IPA stands for are virtually identical to those the Dries fought for, in that both share a confidence in people’s ability to manage their own lives and enrich the society in which they live.

He finished by saying that ‘John Hyde’ s book is a reminder of the power and importance of ideas. It is a case study of the truth of the maxim: the price of liberty is eternal vigilance. It shines the light of experience on the issues of today and tomorrow’. 
Highlights of 2002

DURING THE YEAR the Institute continued to be very active with its publications, media appearances and conferences on a wide range of issues.

Highlights included the launch of two books, *Dry* by John Hyde and *Waking Up to Dreamtime* by Gary Johns, the highly successful industrial relations campaigns, *Take Away, Take Away*, on the destruction of the Australian Food Manufacturing Industry and the exposure of the *Fair Wear* campaign against clothing industry workers. The NGO Project had notable successes in revealing the operations of tax payer funded NGOs in Indonesia and Malaysia.

The IPA saw its influence extend internationally at a conference on State Owned Enterprises in South Africa, on Economic Freedom in Bali in May and again as Australian-Pacific’s sole representative at the Atlas Foundation and Heritage Foundation’s international think-tank get-together in Washington. Gary Johns won a Fulbright Scholarship to the United States and has established a Project with the American Enterprise Institute. A triple headed Dialogue with Immigration Minister Ruddock, columnist Andrew Bolt, and Monash academic Bob Birrell was a highlight of talks, and notable work was done on ethical investment and the Financial Services Reform Act.

The year saw the annual Clough Lecture in Perth, the Senate occasional Lecture, both by Gary Johns, and the Energy Forum continuing its successful work.

New IPA Chairman

Alan Stockdale, Executive Chairman, Investment Banking Group, Macquarie Bank Ltd.

Alan was elected to the Victorian Parliament in 1985 where he was Shadow Treasurer. He 1992 he became Treasurer and stayed in that role until 1999. His ministerial responsibilities included State-owned enterprises, energy reform and privatisation of Government business enterprises. In addition to these, he also held the portfolio of Information Technology and Multimedia from 1996.

When leader of party campaigns, he covered state taxation, debt and other financial matters; workers’ compensation reform (WorkCare); and motor accident insurance reform.

Before politics, he had eighteen years in industrial relations and the law. He appeared in National Wage and many other major cases before the Australian Conciliation and Arbitration Commission, other industrial tribunals and courts.

New IPA Board Members

Ian Nethercote, Chief Executive, Loy Yang Power has come onto the board and Tim Duncan has returned. He now works as a financial communications consultant with Hinton & Associates.
IPA Media Profile

2.10.02 Radio Singapore Malaysia’s Mahathir blast US Entry Policy Mike Nahan
5.10.02 Herald Sun Bracks gets off track Mike Nahan
9.10.02 SMH Envoy’s parting shots to kill myths hurting Jakarta ties (referring to NGO project)
11.10.02 The Australian ‘Just like a city, only no buildings … or grass’ Andrew McIntyre
16.10.02 The Australian We play with fire via anti-Jakarta funding (referring to IPA Review article on NGOs) Robert Gottliebsen
17.10.02 Courier Mail Outcome: Failure Kevin Donnelly
18.10.02 The Australian 2 Letters referring to Gottliebsen article
18.10.02 The Australian Reply to Chris Gallus letter on 18.10.02 Robert Gottliebsen
21.10.02 Herald Sun Let’s make sure we help Mike Nahan
22.10.02 The Australian Holden opens up highway to the region [NGO Project] Robert Gottliebsen
24.10.02 SMH Helping hand or meddling finger? [NGO project] Miranda Devine
31.10.02 SBS Television Wolfgang discusses Market enforced bad behaviour penalties with Mike Nahan
31.10.02 ABC Darwin Drive Julia Christensen on “Wide Open Guide to Teaching” Kevin Donnelly
19.9.02 SBS Compass Program Talking about greed Mike Nahan
2.11.02 Herald Sun Bracks’ wages battle Mike Nahan
2.11.02 AFR Attacking neighbours’ poverty beats sending in the troops Don D’Cruz
5.11.02 AFR IPA got aid policies wrong [D’Cruz on 2.11.02] Graham Tupper
6.11.02 AFR Builders targeted in radical IR plan [IPA mention]
Ashely Crossland
6.11.02 AFR Paper 13 challenges labour law Ken Phillips
15.11.02 On Line Opinion Trade can be made free, but ‘fair’ trade is simply not feasible Alan Moran
16.11.02 Herald Sun Brack’s IR cookery spoils broth Mike Nahan
16.11.02 AFR Protestors barking up the wrong tree [Review article on NGO’s] Peter Ruehl
18.11.02 The Age Green power riddles by perilous politics and sploty economics Alan Moran
19.11.02 The Age Letters Wind Power [Alan Moran article]
19.11.02 AFR A long and lonely road for the dries [on John Hyde book]
20.11.02 The Age Albania of the south, here we come [IPA mention] Kevin Donnelly
20.11.02 AFR Bracks needs his own lunch Mike Nahan
21.11.02 Radio National Life Matters Geraldine Doogue discusses ALP child funding proposal with Mike Nahan
25.11.02 AFR Premier accused of costly worker deals [quoting Mike Nahan] George Lekakis
26.11.02 SBS News Regarding unions Mike Nahan
28.11.02 ABC 7.30 Report Fran Kelly on ABC with Mike Nahan
30.11.02 AFR Unions celebrate their past Ken Phillips
30.11.02 Herald Sun Taking care of retirement Mike Nahan
3.12.02 Canberra Times The rise of ‘brand-name’ activism [Gary Johns and NGO project] Jack Waterford
5.12.02 The Australian Letters Hit back right back Alan Moran
10.12.02 ABC Radio Derick Gill talks about Richard Alston’s incentives for the Arts Mike Nahan
10.12.02 The Australian The big dry … our saviour John Hyde

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15.1.03 The Advertiser Boys set up to fail [Reprint from IPA Review] Kevin Donnelly
15.1.03 Courier Mail Degrees of dumbness [Reprint from IPA Review] Kevin Donnelly
21.1.03 AFR Reform fatigue? We’ve only just begun [Reprint from IPA Review] Chris Corrigan
23.1.03 SMH A ravaged country is a nation on the way out [Moran mention] Paul Sheehan
23.1.03 Courier Mail The Death of Rural Freehold Rights [Reprint from IPA Review] Jim Hoggett
21.1.03 Courier Mail Time to Fix Your ‘Roo Imbalance [Reprint from IPA Review] Ian Mott
25.1.03 Herald Sun Policies feed state’s fires Mike Naham
29.1.03 AFR States barking up the wrong tree on Kyoto Alan Moran
31.1.03 Malaysian News Foreign Funding, Malaysian NGO’s Transparent with a few exceptions [IPA NGO Project] Neville D’Cruz
1.2.03 The Star (Malaysia) Three NGO’s attack Aussie think tank [IPA NGO Project] Jacqueline Ann Surin
6.2.03 NAFI e-News Sustainable development is not working Mike Naham
6.2.03 New Zealand Herald The cost of ‘good’ investments Mike Naham & Jim Hoggett
8.2.03 AFR Mugabe’s tactics leave ICC to decide what’s fair game Don D’Cruz and Ray D’Cruz
8.2.03 Herald Sun GN crops prove worth Mike Naham
17.2.03 The Australian Jakarta fears aid funds for rebellion [NGO Project] Dennis Shanahan
19.2.03 AFR Business opposes IR changes Ken Phillips

in battle against subsidy Alan Moran
21.2.03 AFR [Letters] ACCC welcomes improved outcomes [Moran letter 19.2]
22.2.03 Herald Sun No answers in the wind Alan Moran
24.2.03 AFR [Letters] Power suppliers not seeking subsidies [Moran letter 19.2]
26.2.03 AFR Australia is indirectly meddling in Indonesia Don D’Cruz
26.2.03 The Australian Idealism with no room for realism undermines government integrity [IPA Review by Don D’Cruz & NGO Project] Janet Albrechtsen
1.3.03 Herald Sun Striking a blow for wind [on Moran article 22.2]
Karl Mallon
11.3.03 AFR Business Council swings towards Kyoto [IPA climate change conference] Miranda McLachlan
2.3.03 The Age Business changes tack on Kyoto Protocol [IPA climate change conference]
5.3.03 AFR Victoria cuts its growth forecast Mike Naham
8.3.03 Herald Sun Former left his mark Mike Naham
March 03 Company Secretary, Hong Kong The Recurrent Myth of Ethical Investment Mike Naham & Jim Hoggett
10.3.03 ABC National Radio Privatisation in Australia debate with Alan Moran
10.3.03 Herald Sun Land management in review Richard Smith
11.3.03 ABC AM Bush Fire Prevention Mike Naham
11.3.03 ABC News National bushfire prevention conference open in Melbourne
11.3.03 ABC News Bushfire prevention discussed with Syd Shean
11.3.03 ABC Bushfire prevention discussed with Phil Cheney
11.3.03 ABC Regional Radio Dave Lennon discusses bushfires with Kevin Tolhurst
11.3.03 National Radio News Interview on bushfire conference with Mike Naham
11.3.03 ABC Radio Canberra Interview on bushfire conference with Mike Naham
11.3.03 ABC Radio Canberra

11.3.03 ABC Regional Radio, NSW
Bushfire prevention with Syd Shean
11.3.03 ABC Radio National Bushfire prevention with Mike Naham
11.3.03 ABC Regional Radio, NSW
3.00 PM Program Bushfires discussed with Mike Naham
11.3.03 ABC Regional Radio Gippland Bushfire prevention with Kevin Tolhurst
12.3.03 ABC Regional Radio Nowra Bush Fires with Mike Naham
12.3.03 Border Mail Co-operation vital in fires Kristy Grant
12.3.03 Canberra Times Bushfire warnings ignored [IPA Conference] Megan Doherty
12.3.03 Canberra Times Fires more like once in 25 years [IPA Conference] Megan Doherty
12.3.03 The Age States accused over fire risks in national parks [IPA Conference] Stathi Paxinos
12.3.03 Herald Sun 'Vital' in fires, warns expert [IPA Fire Conference] Danny Buttler
17.3.03 The Age Efficient rural water use depends on clarity of private property rights Alan Moran