In the last two years or so, continuing reform of Australia’s work regulation system has stagnated. Recent business surveys even report no interest by managers in industrial relations reform. The pendulum has swung back toward a more interventionist environment, where third parties seek to predetermine the details of employment contracts. This is particularly in evidence in New South Wales and Queensland. Victoria made an attempt to head in this direction and Western Australia is expected to make similar moves shortly. Continuing change on the Federal legislative front has hit Senate gridlock and the Federal Opposition is committed to roll-back of Australian Workplace Agreements and individual contracts.

On the ground, war has erupted. The unions have completed a strategic policy reappraisal. Their conclusion is that the big government-big union-big business accord of the 1980s and early 1990s has failed to secure union membership. They see themselves in crisis and facing oblivion. Their publicly stated strategic redirection is to neutralise management through aggression and fear; hence Campaigns 2000 and 2001. Strikes may be comparatively minimal but they are strategically pinpointed to hurt critical, vulnerable points in industry supply chains. Pattern bargaining has turned Enterprise Agreements into de facto industry awards. Shareholder activism campaigns seek to intimidate company boards into instructing their managers to choose the path of least resistance.

Managers are shell-shocked because those unionists with whom they could once cut a deal to manage the workforce are now playing by different rules. And their former union partners haven’t bothered to explain this to them.

On the intellectual and academic front, silence! There is a culture of intellectual conformity to arguments that people cannot be trusted to organize their own working lives. There is a culture of intellectual conformity to arguments that people cannot be trusted to set up on our shores with sustainable businesses. The US50c Australian ‘dollar’ attests to this culturally self-induced damaging reality. We do it to ourselves! The crime is that we can be better than we allow ourselves to be!

The IPA has decided to take a step in a different direction. The new Work Reform Unit of the IPA is about to release results of its initial research efforts. Our first report investigates the process by which the demonising campaigns against operators in the clothing industry have assisted the death of that industry. The second report looks at the shrinking of the Australian food manufacturing industry and its potential to go the same way.

The Unit intends to demonstrate...
just where the emperor has no
clothes. Those areas where Austra-
lians cringe and prefer to blame
others for our own malaise need to
be investigated. Our destiny as a
nation is in our hands, and espe-
cially in our working lives.
Unions are not solely to blame.
They are but one element in our
total working culture. Simply to
focus on unions, or employers, is
to degrade the debate into simplis-
tic assessments of confrontations.
The IPA’s objective is to look
deeper, to dig deeper and to probe
for those elements within our na-
tional psyche that cause us to want
to underperform as a society.
There are broad questions that
need answers. What about our
work and life? How many hours
should we work? Who should
have the right to determine or con-
trol our working time: we our-
selves, or someone else? How do
we blend work and home? How do
we adapt to an ageing workforce?
The Unit will focus on the self-
employed, the independent con-
tractors, the work-from-home peo-
ple and the franchisees. These
people are not employees con-
trolled by someone else, but have
self-control under commercial
regulation regimes. Who are
they? Under what contract terms
do they work? How do they oper-
ate? What about the attempts to
approximate ‘self-controlling’
contracts under Australian
Workplace Agreements? What im-
acts have these different models
had? What of the long-suffering
independent employees?
There are many issues that need
urgent analysis. There are no right
and wrong parties. To think in
terms of black and white is to mis-
understand constant shading in a
diverse society. Different answers
suit different circumstances. What
will work for one business, one
person, may not work for another.
And when circumstances change
in a fast-changing world, alternate
answers must be grasped. What
we can never do is accept that one
answer fits all.
The IPA Work Reform Unit in-
tends to look beyond the conserva-
tive status quo of the current Aus-
tralian debate on work, profit and
life. The early structures re in
place. The perspective is long-
term.

Ken Phillips heads the new
IPA Work Reform Unit.

More to refugee status than meets the Aye!

Tess Rod and Ron Brunton

Debate about the appropriate re-
response to the increasing number of
unauthorised arrivals in Australia
has become bitterly polarized. Crit-
ics claim that the unauthorized arri-
vals are being treated unjustly, and
that they are genuine refugees de-
serving Australia’s protection.
Whilst support for a strong immi-
gration program, with a robust hu-
manitarian stream and the accep-
tance of genuine on-shore claims
for asylum, is desirable, potential
demand for refugee status is very
high; and Australia must keep its
refugee intake to manageable limits.
It must therefore target those most
in need rather than those most able
to work the system.
Australia is a signatory to the
1951 Convention Relating to the
Status of Refugees. However, it is
now widely recognized that the
Convention’s ‘refugee’ definition
and the obligations it imposes on
signatory states are no longer work-
ing effectively, in the face of mass
movements of Third World people
wanting to live in rich countries,
many of whom use Convention as
the means of attaining their pre-
ferred migration outcome.
Signatory countries have devel-
oped an international refugee pro-
tection framework, in which the pri-
mary focus is on prevention of refu-
gee situations. Temporary protec-
tion is to be granted by countries of
first asylum, where such flows
across borders to neighbouring
countries cannot be prevented.
Countries of first asylum are of-
fered assistance by the international
community. Ideally, refugees
should be repatriated to their coun-
try of origin as soon as possible, but
if this is not feasible within a rea-
sonable time, then local integration
in the country of first asylum is
considered, with international assis-
tance again provided where neces-
sary.
The Convention regards resett-
lement in a third country as a ‘last re-
sort’ solution, but for those who en-
gage people-smugglers, such resett-
lement, particularly in a wealthy
country, is the primary goal. West-
ern countries are currently expend-
ing around $10 billion annually to
deter people-smuggling racketeers,
and to process claims for asylum
from those of their clients who have
been apprehended. Consequently,
unauthorised arrivals have travelled
first asylum. The vast majority of
means that it is rarely a country of
integration is in a third country where
protection is not their primary motivation.

Government should attempt to un-
dercut the people-smugglers by of-
fering immigration places to those
who meet the appropriate health
and character criteria and are will-
ing to pay a certain amount for their
visas. The best way of allocating
scarce resources is to impose mar-
ket principles. Those who would be
outraged by such a proposal should
realise that these principles are al-
ready at work in a de facto but de-
stabilizing fashion through the
granting of TPVs to the clients of
people smugglers. Unfortunately,
Government initiatives to introduce
payments or other forms of finan-
cial guarantees for the issue of non-
business visas have met with strong
political opposition.
IPA Energy Forum

The Energy Forum continues with a busy and regular schedule of meetings since its inception in 1996

The IPA Energy Forum, under the guidance of Senior IPA Fellow and Convenor Alan Moran, comprises firms in the electricity and gas supply industry. The members generally support the view that privatization and minimal levels of regulation will best serve the community.

Dr Moran, as convenor, prepares papers and submissions pressing these views. Most of them are in the form of Energy Issues Papers (see our website www.ipa.org.au). Although normally issued only after Forum members have been consulted and have had the opportunity to offer advice, the specific recommendations contained in the Papers do not necessarily reflect the views of the individual member businesses.

The Forum also holds regular meetings, at most of which a guest is invited to address particular issues in the gas and electricity industries. The Forum has been operating since August 1996 and a wide range of guests, both Australian and international, have spoken in those five years.

They include:
- Dan Fessler, Chairman of the Californian Public Utilities Commission;
- John Tamblyn as the Victorian Regulator;
- Steven Kelly of NECA;
- Graham Samuel and Ed Willett of the NCC;
- Senator Warwick Parer;
- Graham Longbottom of the SA Electricity Reform Unit;
- Rodney Ward of Delta Energy;
- Allan Asher of the ACCC;
- Paul Moy of Faye Richwhite;
- John McMurtree of NECA;
- Don Anderson of QERU;
- Dan Norton of Tas Hydro;
- Ray Spitzley, Director, SA Reform Unit;
- Candy Broad, Victorian Energy Minister;
- Martyn Evans, Federal ALP Shadow Minister for Energy;
- Alan Moran, Convenor of the Energy Forum, speaking on the importance of privatization of the Energy sector.

“Since privatization and deregulation commenced, electricity prices have fallen across all customer categories. This is due to the cost and generator availability improvements stemming from private ownership and the development of a national electricity market.

In addition to the absolute falls in prices the relative prices between customer categories have also changed. The most notable is the reversal of the relativities between commercial and residential prices. Commercial prices in 1990 were 32 per cent higher than 1990 residential prices. By 2000 they were 26 per cent lower than residential prices.

Prices now reflect the different costs of serving each category rather than political influences. Households also get the benefit of lower industrial and commercial prices in the goods and services they consume.”

Alan Moran
Protocols with NGOs:
The Need to Know
by Gary Johns

In this second Backgrounder for the IPA’s NGO Project, Gary Johns argues that when dealing with NGOs, governments, corporations and foundations, a protocol should be established, the object of which is to place on record those details of the NGO sufficient to judge its ‘standing’. NGOs should either represent a constituency or have a particular expertise to be granted access to the resources they seek. If they cannot prove their standing, they should be given no greater access to a government than any other constituent, no greater access to a corporation than any other consumer and no greater access to a foundation than the needy.

Who Gets to Stay Here? Conflict and Contradiction in the Provision of Protection in Australia
by Tess Rod & Ron Brunton

This is a discussion paper on the dilemmas inherent in the current debate about asylum seekers who have entered Australia unlawfully and the measures taken by the Australian authorities to control such entry into the country. It examines material from government documents, recent research and news stories, and seeks to clarify some of the issues and promote a more reasoned and informed approach to the debate.

A new book by John Hyde on the battle to stay Dry

John Hyde, a senior fellow of the IPA, has written an account of the rise and decline of the Dry ideal in Australia with the working title ‘Dry’. It has several heroes (and a few villains too). We at the IPA are proud of the role that the Institute played in what the late Austin Holmes of the Reserve Bank used to call ‘the Good Fight’. The wealth and also the liberties of nations are in only small part due to fortune. In greater part, wealth and liberty are the intended consequences of well-chosen public policies. In democracies those reflect public opinion. The Dries once laboured to bring about a proper understanding of the policies that gave us our present relatively strong economy. Hyde’s concern is that the 2000s equivalents of the 1970s and 1980s Dry advocates are nowhere to be heard.

His story, of course, has no end. If Australians neglect economic freedom and personal responsibility, again allow vested interests to dominate the public interest, and the short term to dominate the long, then they should expect their nation to return to relative economic decline.
The IPA’s NGO Watch Digest has achieved an important niche in proving detailed strategic information about the advocacy NGO industry. Each edition is now eagerly awaited by corporate executives, journalists, business organisations, government officials, politicians, lawyers and others within Australia and abroad who have regular dealings with the industry.

PHILIPPINES

The investigation into the funding sources of anti-biotech NGOs in the Philippines has been widely distributed up to a cabinet level within the Arroyo Government, and has finally started people asking questions about these groups.

MALAYSIA

These revelations followed information released by the IPA to the Malaysian media about the extent of funding of anti-biotechnology activists after it was found that two small NGOs were receiving US $350,000 (M$1,300,000) in one year from a radical US foundation (Foundation for Deep Ecology) opposed not only to genetically modified food but to modern industrial agriculture itself. The news, which was carried by every Malaysian media outlet, led to a Government investigation into the legality of foreign funding of Malaysian NGOs. While the Government found that no laws had been broken, it has made it quite clear that this funding should be disclosed, and is considering legal action to ensure this is done.

INVESTIGATIONS

More investigations in a similar vein are planned. Because much of the work is more investigative than just plain research, it often requires analysis of tax returns, annual reports, monitoring of activist websites and list-servers. Whilst it is extremely labour-intensive, it is something that has to be done.

REVEALING

NGO Watch Digest, since its inception, has discovered a number of fascinating things:

- All anti-biotech NGOs in Asia are overwhelmingly funded by foreign sources (either US foundations or from Europe);
- Greenpeace International, which claims not to take any government or corporate money, is getting government and corporate money monies funnelled to it from WWF;
- NGOs are a huge industry in their own right. Greenpeace International has an annual budget of about $240 million, WWF has about $800 million, Oxfam has about $720 million, and the Friends of the Earth Federation has about $800 million;
- The growth in NGOs is not due to increased membership, but rather to their ability to secure funding from foundations, governments, international agencies and companies – grassroots numbers have either been static or in decline;
- The agendas of NGOs are increasingly being driven by their funding sources, such as US foundations, because of their ability to give large bloc grants on a project basis;
- NGOs which target business are increasingly moving into shareholder activism;
- The Australian Conservation Foundation is now receiving much more money from the corporate sector than the IPA, the Adam Smith Society, the HR Nicholls Society and the Lavoisier Society combined;
- 53% of every dollar raised by Greenpeace Australia is spent on fundraising
- The Rainforest Action Network (RAN) attacked Citigroup as an environmental destroyer after that firm refused to pay for a RAN conference
- There are fewer degrees of separation between ‘respectable’ NGOs and the anti-globalization S11 activists than these NGOs would have us believe.

THE GOOD AND THE BAD

The NGO sector is one which has often been cited as a cure for much of society’s maladies. However, what the NGO Project is starting to discover, through careful analysis and painstaking research, is that this sector is a sick sector. It is filled with some very good people doing some very good things, but it is also filled with some of the worst people doing some unspeakable things. Only time will tell whether the bad will ruin things totally for the good.
EVENTS

Good Food, Terror and the Economy, Corporate Responsibility and Reform Fatigue

FOOD, GLORIOUS FOOD
Sadly, regulatory officials and ministers in most countries are bowing to anti-science forces and are changing their labelling requirements to allow the demonization of new technology that offers vast technological and even health improvements. Alan Moran was speaking at the 11th Annual International Food and Agribusiness Management Association’s World Food and Agribusiness Forum held in Sydney on 26 June. Alan feels there is no need for the present degree of regulation. There is a great deal that can be left to market forces and people’s normal pursuit of self-interest.

REFORM FATIGUE
Over the past decade Australia has enjoyed perhaps the most comprehensive privatization program seen anywhere in the world, claims Alan Moran. But he warns that even though it has been an immense blessing, it seems the political will or economic necessity has waned. Alan was giving an address, Improving Risk Disclosure and Accountability in Public Private Partnerships, to the Managing and Regulating Public Private Partnerships Conference on 16 August. Whilst Australian productivity growth has shifted from being among the worst in the world to being among the best, it is unlikely that over the next few years we shall see privatization of the remaining areas where private enterprise can still make a difference.

ATTACK ON CORPORATES
By far the most dangerous development that has confronted companies for many years is the range of anti-corporate campaigns being used by non-government organisations (NGOs) and unions to pressure them into meeting their demands. Don D’Cruz made this claim at the law firm Freehills at a seminar on Anti-Corporate Campaigns – The New Battleground on August 21. He gave participants a brief introduction into the nature and structure of this new type of activist/union weapon. The Freehill seminar was timely and important, as discussion of corporate campaigns has been non-existent in Australia in spite of their capacity to do harm.

FREE TRADE ONLY WAY
In the wake of the September 11 bombing in New York, Australia must avoid the understandable tendency to lock-out a troubled and dangerous world, argued Dr Mike Nahan at a policy forum for the Liberal Women’s Association on 27 September. We can no longer hide. People, like goods and services, are now on the move globally. The best way to protect our borders is to help make the outside world wealthier, safer and more inclusive. We have the tools to hand; free trade, liberal democracy and capitalism. They worked for Australia and can, with local adaptation, do the same for other nations.

GLOBAL WAR
Dare the litany of economic fallacies coming out of this new era of terror. One is, “War is good for the economy.” Professor Mark Skousen was outlining the international ramifications of global financial settings, after the tragic events of 11 September in New York, to a packed audience at an IPA Dialogue on Friday 28 September; Sound Money and the Global Battle for Economic Freedom. Professor Skousen warned that the United States must avoid getting involved in regional battles. It should create harmony through a liberal trade and exchange policy, avoid the regulation of commerce, and refrain from curtailing the civil and privacy rights of its citizens. Otherwise the triumph of economic freedom and financial success achieved in the 1990s will be a distant memory.

NGOS WORTH US$15 BILLION
Civil society has been hijacked by activists and is now conducting a war against commerce, warned Dr Mike Nahan at the Confectionary Manufacturers Conference held at Hamilton Island on 30 September. The NGO sector is a highly sophisticated global business, with a world-wide funding base of over US$15 billion. It pays no taxes, has no unions, is not encumbered by regulations, and employs some of the most talented and ruthless spin merchants using state-of-the-art PR techniques. It has the trust of the public, the active support of the media, and government and business running scared. The industries’ basic claim that it represents ‘the community’ is a sham. The majority of these organization are tightly held clubs of activists acting on their own beliefs and in their own interest. They control the institution of commerce and democracy and they are winning largely without resistance.
TOUCH OCTOBER 2001

HAROLD CLOUGH
LECTURE AND LUNCHEON

The High Price of Reform Fatigue
to be delivered by JOHN HYDE

Western Australian Club
101 St George’s Terrace,
Perth

Wednesday, 24 October 2001
12:00 for 12.30pm
until 2:00pm

$66 per head

Australians currently enjoy the immense benefits of barely a decade of some of the most effective governance in Australia’s short history. These gains are being squandered and the 2010s may not be as comfortable.

Forthcoming IPA Publications

IPA Backgrounder

Government:
It just keeps on growing

JIM HOGGETT

The conventional wisdom says that the government sector in Australia is relatively small and shrinking. J. K. Galbraith observed that the conventional wisdom is generally wrong. So it is in this case. Over the last three decades our government sector has continued to grow strongly, and now absorbs two-fifths of national income. Government spending, especially spending on social programs, has grown much faster than the economy. Taxes have become more punitive.

It follows that individuals have retained fewer of the economic gains that they have earned. Our government is not small. So those using the election year to urge more spending and taxes would be more usefully employed assessing the effectiveness of existing programs and whether we could get better value for money.

IPA Backgrounder

Corporate Campaigns

DON D’CRUZ

Anti-corporate campaigns developed in the United States represent the latest strategy being used by non-government organizations (NGOs) and unions to pressure companies into meeting their demands. In terms of their sophistication, complexity and potential to cause damage, these campaigns are by far the most dangerous development that has confronted the corporate sector for many years.

Despite their capacity to do harm, discussion of corporate campaigns has been non-existent in Australia. This Backgrounder is a bid to remedy this and aims to develop a greater understanding of this new phenomenon, by providing a detailed analysis of the nature and structure of this new type of activist/union weapon.

All the latest available items on our Website

www.ipa.org.au

Apart from listing our publications, the IPA website contains the many non-published speeches and submissions by IPA staff members.
There are also complete, up-to-date copies of all newspaper articles published by IPA staff

Recent submissions, speeches and on-line releases

IPA REVIEW for March 2001 is now available online
‘Privatisation in Australia’ from the July issue of Privatisation International - Alan Moran
Unfair Privileges (IPA Issues Paper) - Michael Warby (now released on-line)
The False Scholarship Syndrome - Ron Brunton rebuts Robert Manne
Fit for the West: The Western Australian Approach to Labour Market Regulation - Michael Warby
Improving Risk Disclosure and Accountability in Public Private Partnerships - Alan Moran
Submission to the Pre-Selection Review by the Australian Communications Authority - Jim Hoggett
STOP PRESS

IPA Media

Welcome to the IPA
We have pleasure in welcoming three new staff members at the IPA who will be helping on specific tasks.

Andrew Bell has a background in Politics and Industrial Relations and is helping on the Work Reform project.

Steve Clancy is currently studying at Swinburne in Engineering and is Director of the Libertarian Society of Victoria. He is helping on the NGO project.

Vanithida Lao has worked as a community development officer with the Khmer community of Victoria and is helping on the Work Reform project.

19.6.01 ABC Radio Geraldine Doogue Programme debates National Competition Policy
Alan Moran
23.6.01 Herald Sun WorkCover slips again Mike Nahan
23.6.01 Courier Mail Ignoring the sins of the father Ron Brunton
25.6.01 The Australian Competition to force power prices up Alan Moran
25.6.01 ABC 3LO John Faine on Energy Prices Alan Moran
25.6.01 Rural Radio Victoria Ben Knight on Energy Prices Alan Moran
25.6.01 Channel 10 TV News on Energy Prices Alan Moran
25.6.01 ABC TV Midday on Energy Prices Alan Moran
25.6.01 Sky TV News Business Daily Jack Hewitt on Energy Prices Alan Moran
30.6.01 Herald Sun Funds should plug IT drain Mike Nahan
1.7.01 Herald Sun Poor not getting poorer Mike Nahan
2.7.01 Herald Sun Still on sick list Alan Moran, Don D’Cruz
7.7.01 Herald Sun EU no job role model Mike Nahan
7.7.01 Courier Mail Assimilation offers new hope Ron Brunton
10.7.01 Courier Mail Prospering from Freedom’s Riches Mike Nahan
20.7.01 Herald Sun Private sparks hot Alan Moran
21.7.01 ABC TV Stateline on Industrial Relations Alan Moran
21.7.01 Courier Mail Misguided views from defenders of the clever country Ron Brunton
21.7.01 Herald Sun Shopping for the world Alan Moran
28.7.01 Herald Sun Keeping prices healthy Alan Moran
04.8.01 Herald Sun Powering into problems Alan Moran
04.8.01 Courier Mail Beef-eaters have no right to stop whale hunt Ron Brunton
08.8.01 ABC TV Darwin Paul Cullin on Northern Territory gas pipeline Mike Nahan
11.8.01 Herald Sun Our economic miracle Mike Nahan
18.8.01 Courier Mail Time to bury the genocide corpse Ron Brunton
18.8.01 Herald Sun Deals may save dollars Alan Moran
24.8.01 AFR A useful halfway house. Letter from Alan Moran
29.8.01 ABC Peter Clarke on electricity Alan Moran
01.9.01 Herald Sun Cheaper power calling Alan Moran
01.9.01 Courier Mail Secrets & Lies Ron Brunton
03.9.01 ABC Radio Peter Clarke on refugees Mike Nahan
04.9.01 ABC Radio on Darwin budget position Mike Nahan
13.9.01 ABC Radio Simon Beaufort discusses WA Budget Mike Nahan
14.9.01 ABC Radio Peter Clarke discussed competition policy Mike Nahan
15.9.01 Courier Mail Cause and effect Ron Brunton
29.9.01 Courier Mail Just asking for a rethink Ron Brunton