

INSTITUTE OF PUBLIC AFFAIRS

FACTS

Vol. 42 No. 3

Editors: Michael Warby/Mike Nahan

April 2001

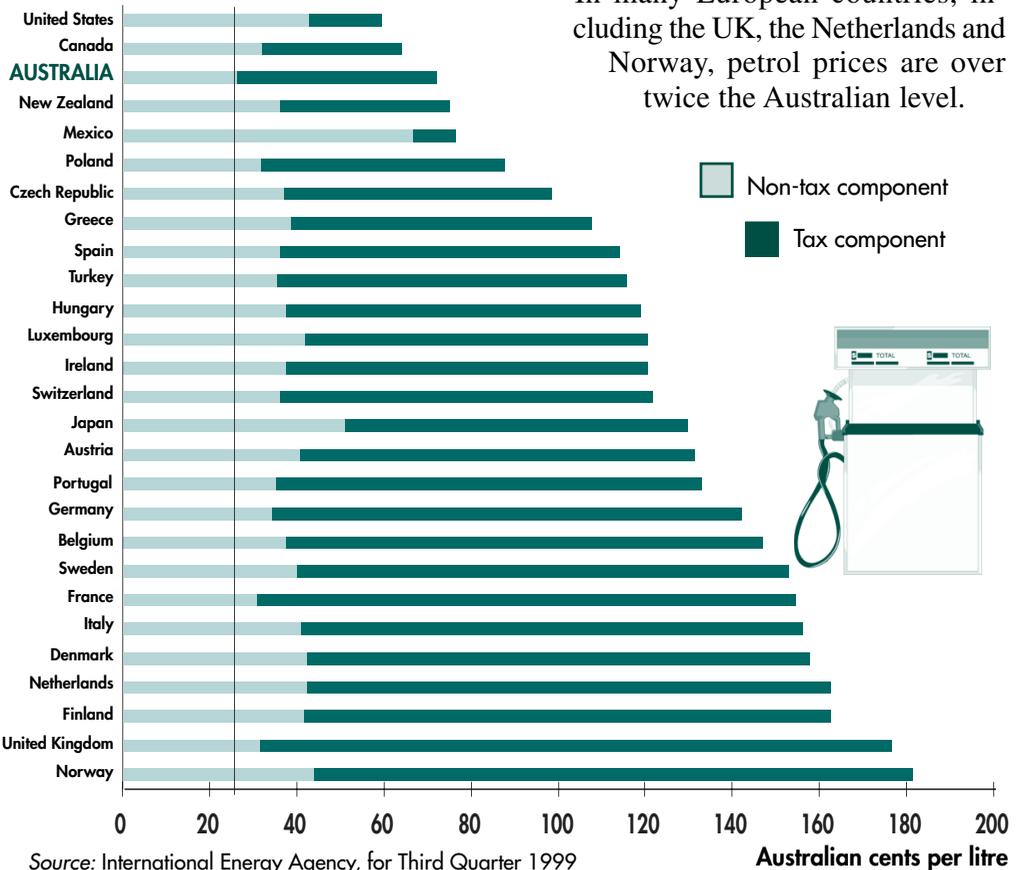
The Institute of Public Affairs Ltd (Incorporated in the ACT) ACN 008 627 727

Do You Think Our Petrol's Expensive?

Well, not compared with other rich countries. Amongst developed countries, only the US and Canada have

lower-priced petrol than Australia, and on a before-tax basis, **Australia has the lowest-priced petrol of all.**

In many European countries, including the UK, the Netherlands and Norway, petrol prices are over twice the Australian level.



Source: International Energy Agency, for Third Quarter 1999

Australian cents per litre

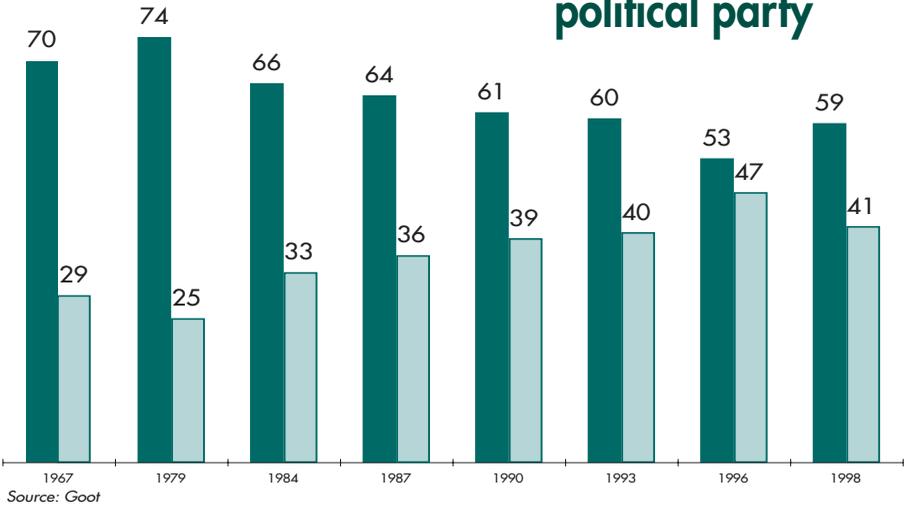
Better Political Consumers? (I)

Australian voters have become less likely to identify with a particular political party. The number who identify with a political party fell from 70%

in 1967 to 59% in 1998, while those who identify only weakly or not at all rose from 29% to 41%.

Very or fairly strongly
 Not very strongly or not at all

Percentage of Australians who identify with a political party



Did you know?



That poverty world-wide has fallen by more in the last 50 years than in the previous 500? [UN *Human Development Report 1997*, quoted in *The Lexus and the Olive Tree*, Thomas Friedman.]

dex, the Nikkei, peaked at 38,915. At the beginning of March 2001, it was 12,681.6, a mere third of its last peak. [AFR, Friday 2 March 2001.]

That the average price of Japanese shares has dropped by two-thirds since 1989? On the last day of trading in 1989, the Japanese share price in-

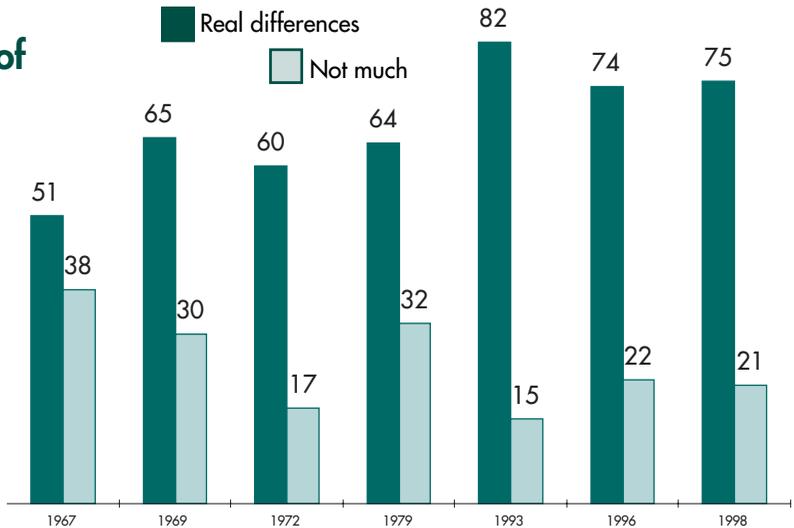
That it is estimated that one in three Australian children will spend some part of their childhood in a single-parent family? [Country Matters, Bureau of Rural Sciences.]

Better Political Consumers? (II)

Yet Australians have become more likely to identify real differences between Labor and Liberals—as shown in the graph below. Furthermore, far from becoming more disengaged from politics—Australians were more likely to have had some or a good deal of in-

terest in politics during the 1998 (77%) than the 1969 (70%) election campaigns—Australians appear to be becoming more discerning political consumers, less likely to give their allegiance automatically. (Source: Murray Goot, *Politics, Politicians and Parties*)

Percentage of Australians who agree that there is a real difference between Liberal and Labor



Source: Goot

Did you know?



That working in the garden was Australian's most preferred recreational activity? 64% of Australians had worked in the garden in a three-month period. The next most common recreational activity was gym or other formal exercise—undertaken by 39% of Australians followed by hobbies (33%) and computer games at home (32%). More had played a sport (30%)

than had attended a professional sports event (16%). [*Morgan Polls*, 28 February, 2001.]

That indigenous Australians make up 2.0% of the population: 3.7% of the non-metropolitan population, compared to 0.97% of the metropolitan population? [*Country Matters*, Bureau of Rural Sciences.]

The Failed Experiment

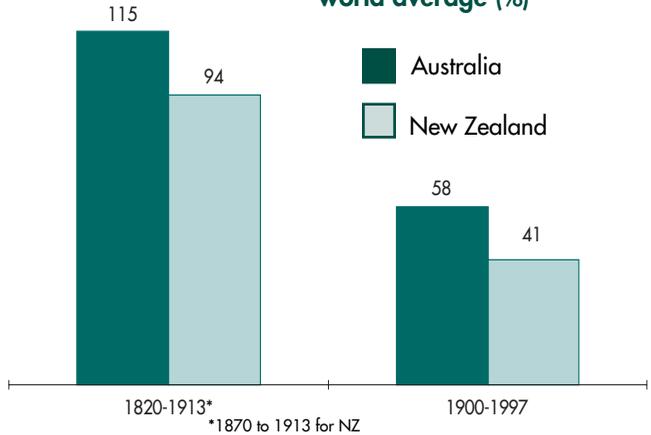
In the 1890s, Australia and New Zealand began an experiment with trade protection and wage arbitration.

They became the two developed countries with the lowest economic growth rates over the twentieth century.

The fall in Australia's and New Zealand's relative standing has been stark.



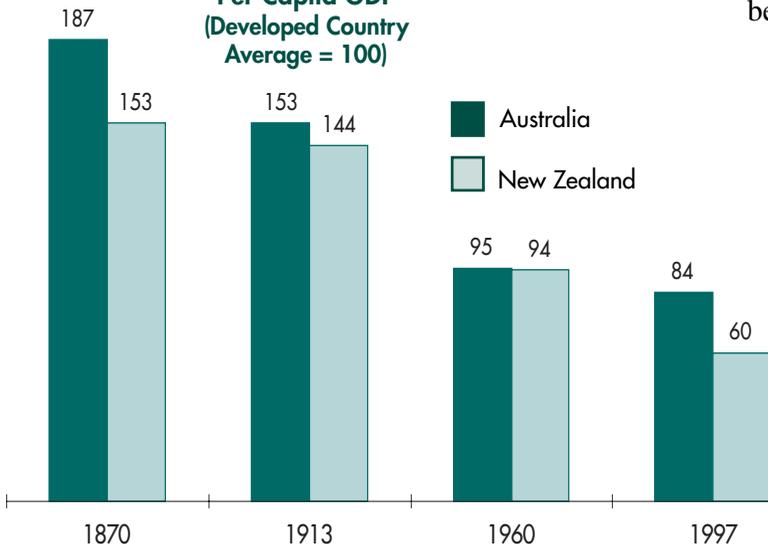
Per head economic growth rate compared with developed world average (%)



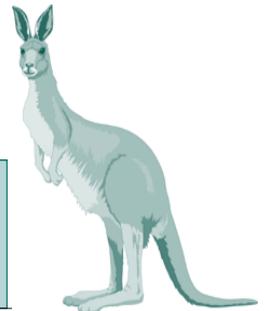
Source: Maddison, OECD

The policy of officials interfering with relationships between consenting adults has not proved to be a successful one.

Per Capita GDP (Developed Country Average = 100)



Source: Maddison, OECD

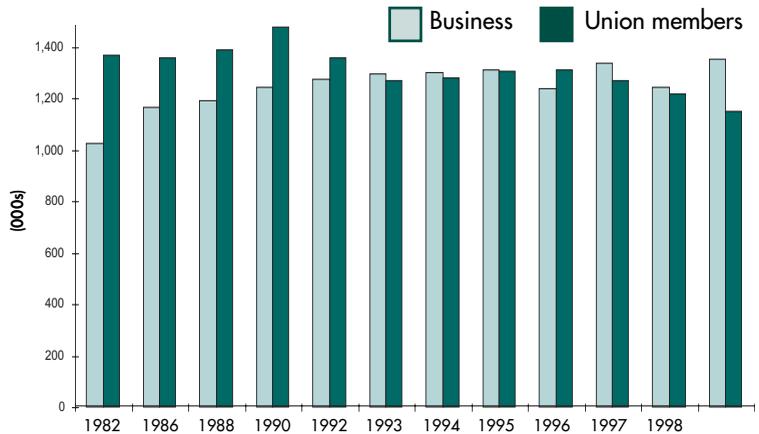


Individualism is Winning

Substantially more people in the private sector are now either employers, self-employed or work as unpaid family helpers than are union members. The former now outnumber union members by 18%, whereas in 1982 there were 25% more private sector unionists.

The increase in the demographic of ‘capitalists’ (big and small) is mainly driven by a steady increase in self-employment. The standard employment relationship is losing its appeal—contracts for services are replacing ‘master-servant’ contracts of service—and cutting into the unions’ recruiting ground.

Private sector union members compared with total of employers, own-account workers and unpaid family-business workers



Source: ABS Cat. No. 6101.0, 6203.0, 6310.0

1999

Private sector union members and self-employed workers



Source: ABS Cat. No. 6101.0, 6203.0, 6310.0

Ever Upwards!

The total tax take by all governments reached 31.2 per cent of gross national product this year—which is the highest level in our nation’s history.

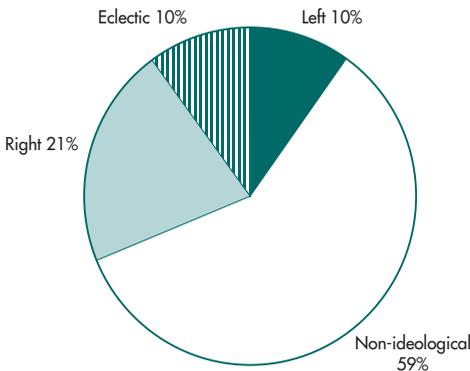
Despite the largest income-tax cut in history and the elimination of over ten taxes, the tax take continues its inexorable rise.



Sources: ABS Cat. No. 5206.0, *General Government Income and Outlay Account* and *Mid-Year Economic and Finance Overview*.

Public Debate and Popular Opinion

Ideological Profile of the Australian Electorate



Source: Graetz and McAllister, 1994

A study by two political scientists found that Australians were twice as likely to hold ‘right’ ideological opinions as ‘left’ ones. If our national broadcaster, and the media generally, reflected public opinion, you would expect to see twice as many ‘right’ commentators as ‘left’ ones on the ABC and in the media.

Still, the results may help explain why talk-back radio, the form of media with the most direct public feedback and competition, seems to have so many ‘right-wingers’ in it. And where the ABC should look to increase its audience.

Incomes: Facts and Perceptions

Ask the proverbial man or woman in the street if the poor are getting poorer and the rich are getting richer, and the vast majority—83%—will say ‘yes’ and only 13% will say ‘no’.

The best available evidence gives a much more positive picture. Over the

15 years to 1996–97, people on the highest level of income did get richer. Their income, measured on an after-tax, after-government-transfers basis and adjusted for inflation, grew by 13% or \$193 per week.

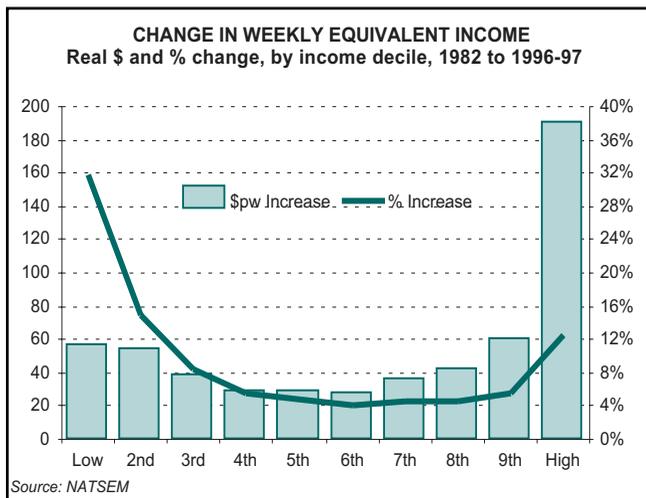
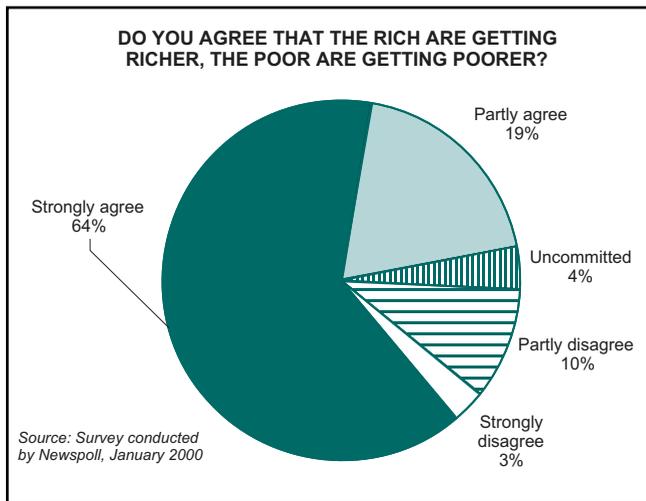
During the same period, the poor—

people on the lowest income level—experienced a whopping 31% or \$59 per week increase in income measured on the same basis. Even people on the second lowest level of income did well, with a 15% increase in income.

In short, yes, the rich are getting richer, but the poor are also getting richer.

It is the middle-income earners who fared worst. But even here the result is not bad. Not only did the middle classes get wealthier, albeit modestly, but many in the middle class moved up to higher levels of income.

Why, then, the widespread pessimism about income distribution? Well one reason is that people quite understandably believe what they read and hear—and that is solid gloom.



Note: Graphics are from the excellent publication *In Support of Free Enterprise*, available from the Chamber of Commerce and Industry of WA.



Coastal Dwellers

Australia is one of the least densely populated countries, with 2.3 persons per square kilometre, yet 83% of the population lives within 50 kilometres of the coast. Half the continent has only 0.3% of the population.

Overseas-born City-dwellers

22.0% of Australians are born overseas, one of the highest rates of overseas-born residents in the world. 39.6% of foreign-born residents came from the UK, Ireland, New Zealand, Canada, South Africa and the USA. The proportion of overseas-born approaches being three times greater in metropolitan areas (28.1%) compared to non-metropolitan

areas (11.7%). Overseas-born from non-English speaking countries account for 13.3% of Australia's resident population, but only 5.0% of the non-metropolitan population compared to 18.3% of major urban areas.

More One-parent Families

9.9% of Australian families consist of a single parent with dependant children. The rate is almost three times higher for indigenous families—29.6%. The number of single-parent families with dependant children increased by 21.9% from 1991 to 1996. The increase in non-metropolitan areas (26.7%) was notably higher than for metropolitan areas (19.2%).

[All the above facts are taken from *Country Matters: Social Atlas of Rural and Regional Australia*, by the Bureau of Rural Sciences using Census data.]

INSTITUTE OF PUBLIC AFFAIRS SUBSCRIPTION FORM

Please enrol me *either* as a subscriber to IPA FACTS or for a 12-month membership of the IPA

Name

Address

..... Postcode Phone

Fax E-mail

Payment: please send cheque payable to the IPA or provide credit card details for the sum of \$

BC MC Visa AMEX Diners (circle)

Card No Expiry date

Cardholder's name

FACTS \$24.00 for 3 (including GST)

General Member Annually \$55 (including GST) Entitlements: IPA Review, regular newsletter (In Touch), FACTS and notice of IPA events.

Premier Member Annually \$209 (including GST) Entitlements: All IPA publications (i.e. IPA Review, Current Issues, Backgrounder, In Touch, FACTS), notice of IPA events, plus discounts to all IPA functions.

Return this form and payment to: Institute of Public Affairs, Level 2, 410 Collins St, Melbourne, VIC 3000
Telephone: (03) 9600 4744 Facsimile: (03) 9602 4989 E-mail: ipa@ipa.org.au Website: www.ipa.org.au