

Welcome to the ninth edition of The Australia Institute's e-bulletin, *Between the Lines*, a selective analysis of the policies and politics affecting the wellbeing of Australians. This edition looks at:

- Senator Fielding and the alcopops debacle
- The wisdom of tax cuts
- Freedom of information becomes freer?
- Institute update

Senator Fielding and the alcopops debacle: was Fielding the villain?

Senator Fielding's single vote cost the government the ability to continue the 70 percent tax increase on alcopops, costing \$1.6 billion in the forward estimates and necessitating a \$300 million refund to distillers. The tax was said to have already had some success in reducing teenage drinking, and some of this money was earmarked for preventative health measures. The government had acceded to some of Fielding's requests, including health labels on alcohol products and an advertising campaign. On the face of it, Fielding was the bad guy.

But what was the sticking point? Fielding wanted an end to the current loophole that allows alcohol advertising if it is associated with a sporting event on weekends and public holidays even though such advertising is not allowed during children's viewing times. Alcohol experts agree that advertising makes drinking socially acceptable for young people and the association with sporting heroes doubly so. Only the industry believes, or pretends to believe, that advertising makes no difference.

The Government's view is that sponsorship of sports is worth up to \$1.25 billion per annum (of which alcohol sponsorship is part) and, if this were withdrawn, it would undermine sport financing at all levels. Actually, this sponsorship is mainly directed at professional sports and its withdrawal would make some of the rich codes poorer. Should we be concerned if some footballers and administrators are paid a bit less?

Fielding was prepared to compromise on the timing, offering the government until 2012 to shut down the loophole.

Fielding had already flagged his views at the inquiry into the Alcohol Toll Reduction Bill 2007 (2008) conducted by the Senate Standing Committee on Community Affairs. The majority of the Committee, in thrall to the sporting and alcohol interests, recommended that the Bill not be passed. Senator Fielding's minority report noted the view of the World Health Organisation that 'alcohol is the third most avoidable cause of death and disability in developed societies like Australia ... [A]lcohol is not an ordinary commodity and should not be treated as one', and also noted that binge drinking is highly prevalent among teenagers and young adults in Australia.

We need to be doing something about these problems. Spending money on education and other mitigation programs while allowing advertising to continue unabated is perverse in the extreme.

Senator Fielding has this one right. The industry lobbyists have already lost the battle on advertising cigarettes and they need to lose the same battle on alcohol. It would be a sensible start if the government were to cave in on this issue.

Declaration of personal interest: the author does not drink.

The wisdom of tax cuts

Wouldn't it be great if there were billions of dollars to provide paid maternity leave, billions of dollars to invest in our education and health systems, and billions more for buying water to send down the Murray and buying off those determined to log our old growth forests?

If only ...

If only the last election campaign hadn't kicked off with John Howard announcing \$32 billion worth of tax cuts. And if only Kevin Rudd hadn't countered with \$30 billion of his own tax cuts.

As the economy begins to slow and the budget deficit begins to rise, there will be more and more calls to slash government spending by giving less assistance to those in need. But unfortunately, there is likely to be far more analysis of where we are heading than there will be of how we got to where we are.

As the economy boomed over the past five years, the Howard Government was literally awash with cash. While the frugal, fiscally conservative thing to do would have been to accumulate large budget surpluses or invest the money in long-lived public assets, the previous government chose instead to pump tens of billions of dollars back into the overheating economy in the form of tax cuts aimed primarily at high-income earners.

While the tax cuts helped to keep the good times rolling, they also forced the Reserve Bank to increase interest rates to keep inflation in check. It was the equivalent of driving with your feet on the brake and the accelerator at the same time. There was a lot of noise and smoke but not a lot of progress.

A soon-to-be-released paper by The Australia Institute will document the nature and extent of the series of tax cuts begun by the Howard Government and continued by the Rudd Government. In addition to highlighting just how much of the boom was squandered on tax cuts rather than invested in our future, the paper will also show just how much better high-income earners did out of those cuts than average Australians.

For example, if you compare the tax cuts received by someone on half average weekly earnings since 2003 with someone earning twice the average wage, you get some pretty inequitable numbers. As a result of six years of tax cuts, the low-income earner is a whopping \$26.67 a week better off while a person on twice-average weekly earnings is \$210 a week better off.

Not only have big tax cuts delivered us a budget that is now under pressure and very little in the way of public infrastructure, they have also helped to undermine social capital by massively extending the gap between rich and poor.

If only the last government hadn't squandered the gains of the boom; if only the current government would ask high-income earners to tighten their belts rather than expecting those with the least to miss out on the services they need. If only ...

Freedom of information becomes freer?

Abraham Lincoln once said 'Let the people know the facts, and the country will be safe'. Democracy is based on the fundamental right of citizens to know what is going on in their country—perhaps not intelligence or questions of national security, but information about how and why governments make decisions. The *Freedom of Information Act 1982* (Cth) ('Fol Act') is based on this 'right to know', creating a legally enforceable right of access to documents in the possession of Commonwealth ministers and agencies. Fol is intended to encourage transparency and accountability in government decision-making and to discourage corruption.

But over the years, governments have become more and more secretive about what they do. This tendency reached its apotheosis under the Howard Government, which actively prevented people from accessing information about government doings, citing such matters as potential embarrassment to the government or causing confusion to the public as reasons for doing so.

Kevin Rudd campaigned on a policy to change Fol laws in an attempt to increase transparency and free up disclosure. It has taken a considerable time, however, for the government to propose new guidelines. Senator Faulkner finally released the government's proposed changes to the Fol system in Australia on 24 March 2009 at a conference in Sydney hosted by Australia's Right to Know coalition. These will come into effect in January 2010 and include:

- abolishing fees for Fol applications and fees for personal information and waiving initial charges for journalists and non-profit organisations
- a new pro-disclosure public interest test to encourage the public service to change its mind-set and become more accommodating in its release of information
- the establishment of an Office of the Information Commissioner and the appointment of an Information Commissioner, a Privacy Commissioner and an Fol Commissioner to oversee all privacy and Fol matters
- requiring government agencies to publish more information outside Fol; the Office of the Information Commissioner will monitor compliance
- including contractors in Fol provisions
- reducing the release of Cabinet documents from 30 to 20 years and of Cabinet notebooks from 50 to 30 years.

The government says that these changes will lead to more transparency and accountability and therefore better practice and a stronger democracy. But others consider that, in fact, public servants, who seriously dislike Fol requirements anyway, will be much more circumspect about the sort of advice they provide to their ministers and hence to the public. And there is nothing to address the issue that occurs where a third party is required under the Privacy Act to give consent to the release of documents—experience suggests that they never do.

Institute Update

Worth noting

The nation's progressive think tanks, including The Australia Institute, are convening a major conference in Sydney on April 22nd and 23rd. The event, *Crunch time: Australia's Policy Future* is a rare opportunity to discuss the challenges that governments in Australia now face and consider the principles and values that should guide progressive policy-making into the 21st century.

If you are interested in attending the conference, go to the conference website (www.crunchtime.org.au) where you will find information on the event and a registration form. Registration is now open and spots are selling fast. Please join this important discussion on progressive policy making in the 21st century

If you have any comments or contributions for *Between the Lines*, please send them to mail@tai.org.au. If you know someone else who would like to read *Between the Lines*, please forward this email. They can sign up to receive it at www.tai.org.au.