

The Australia Institute

Research that matters.

What a year it has been! We've witnessed the fall of a Prime Minister, the rise of a woman to the top job, a hung Parliament, a drawn AFL final, a visit from Oprah, the Wikileaks exposé and supposedly a 'new paradigm'. 2010 has had something for everyone.

For The Australia Institute it has been a year of significant achievement. It has been a year in which we can proudly say that we have lived up to our mission of conducting 'Research that matters'. It has been satisfying to see many of the issues the Institute has been focused on coming to the fore of political debate. Below are some examples.

If you like what you read please consider giving The Australia Institute a [Christmas donation](#). In return, we'll continue to be a strong advocate for a fair and progressive Australia. Or if you would like to give the gift of good ideas to a loved one this Christmas, you can make a donation on their behalf. Go to the [Institute's website](#) and you will receive a personalised gift certificate.

MySuper - The Australia Institute published [The case for a universal default superannuation fund](#) in September 2009. We argued that millions of Australians would be financially better off upon retirement if they were placed in a low-cost, default fund that didn't rely on them having to make active choices about their investment. The Cooper Review into Superannuation subsequently recommended a similar model in its MySuper proposal. Last week the Government [adopted MySuper](#), estimating that an average wage earner could save up to \$40,000 on retirement.

Carbon tax - The Australia Institute was a vocal critic of the Government's Carbon Pollution Reduction Scheme for its complexity, timid targets, compensation for polluters and the design flaw we discovered that meant any reductions achieved by households would simply free up additional permits for big polluters. Instead, we advocated a simple carbon tax. After ruling it out during the election campaign, the Prime Minister and the new Minister for Climate Change, Greg Combet, are trying to win back some environmental credibility by signalling they are considering a [fixed carbon price](#). Yesterday, Minister Combet released a list of 11 policy principles to 'guide the development of a carbon price mechanism'.

Banking reform - Pointing out the excessive profitability of Australia's big four banks at the expense of their customers has been a priority for the Institute since early 2009. The underlying profits of the big four banks are around \$37 billion annually or 2.9 per cent of GDP. Our analysis has highlighted that bank profits are running at \$1,000 for every man, woman and child in Australia. The Australia Institute recently gave evidence to the [Competition within the Australian banking sector](#) Senate inquiry and made a number of recommendations aimed at reducing the ability of the big four banks to exploit their market power. Our paper [Money and Power: The case for better regulation in banking](#) explores the need for banking reform.

Mineral Resources Rent Tax - Before the current surge in demand for our resources, The Australia Institute looked at whether the mining boom of 2004 – 2008 brought unambiguous benefits to the economy. [The paper](#) found that the benefits of the boom barely went beyond the mining industry itself. Indeed, higher mortgages and other borrowing costs meant that many households were worse off. The Institute urged the Government to establish a [Resources Fund](#) to invest the surge in commodity incomes as well as well as protect the rest of Australian industry from the adverse impact of the higher Australian dollar. In May this year the Institute joined leading Australian academic, policy and business economists in issuing a [statement](#) supporting the replacement of royalties on mineral outputs by a resource rent tax. The committee set up to examine the Government's proposed Mineral Resources Rent Tax (MRRT) yesterday released [94 recommendations](#) on the design and implementation of the MRRT.

While a carbon tax, superannuation reform and bank profits have attracted the bulk of attention this year, the Institute has conducted research on a wide range of other topics. In all, we published more than 20 [research papers](#) and 28 [opinion pieces](#). Our research into the number of people missing out on their [welfare benefits](#) was discussed in Senate Estimates Committee hearings. Our research on [overwork and unpaid overtime](#) underpinned our call for national Go Home On Time Day; our work on community support for [nurse practitioners](#) to help take the pressure off GPs preceded a major change in government policy to expand such services.

In addition, the Institute is also a regular user of the Freedom of Information laws. For example, this year we obtained documents that suggest our food regulators have been less than vigilant in their monitoring of the health impacts of chemicals leaking out of plastic food containers. Some of the results of this request attracted [headlines](#) in relation to the chemical BPA in plastic bottles.

Thank you from The Australia Institute

This has been an interesting year from a policy point of view and we hope you agree that The Australia Institute has contributed meaningfully to the many policy debates. Thank you for the support you have given us in 2010; we thrive on the moral support of knowing that there are people out there who care about the future direction of Australia, who care about the development of good ideas and who care about 'research that matters'.

Season's greetings and have a happy and prosperous new year.