

28 April 2009

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Australia's Future Tax System Review Panel
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By email: AFTSubmissions@treasury.gov.au

Dear Dr Henry

PRIVATE SUBMISSION TO AUSTRALIA'S FUTURE TAX SYSTEM REVIEW

Please find attached my submission to Australia's Future Tax System Review.

The attached submission outlines issues and proposals relating directly to a number of tax and transfer matters. It also includes reference to other financial matters, as well as social and environmental issues, as I believe these aspects are strongly interrelated and cannot be meaningfully separated.

The submission includes proposals concerning the Goods and Services Tax (GST). I am aware that the terms of reference for the review exclude the GST. However, I believe the tax-transfer system cannot be properly reviewed if the GST is omitted.

Yours sincerely

Rory Ellison

A Time for Change

**Private Submission to
Australia's Future Tax System Review**

Rory Ellison

28 April 2009

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SUMMARY

Many people appear to be deeply concerned, disillusioned and frustrated about a range of problems experienced for some time in Australia and elsewhere.

The purpose of this paper is to:

- record some of these concerns in writing, as a means of helping to increase their exposure and profile
- suggest proposals which would assist to address many of the concerns.

The financial and social fabrics of Australia and the rest of the world are closely interwoven and cannot be meaningfully separated. Accordingly, this paper addresses both aspects together. Environmental issues are not specifically addressed in the paper, because I believe that if we all give more consideration to the impact our actions will have on future generations, many of the environmental problems will be corrected.

Most people are deeply worried about the current global financial crisis. However, as grave as the financial situation is, focusing only on the financial aspects will do little to help Australia and the rest of the world to recover from the current turmoil. For many years society has suffered a severe deterioration in morals, ethics, integrity and decency. This decay in personal and community values has been a major cause of the current financial crisis.

It is imperative that Australia and the rest of world adopt a holistic approach to tackling the various financial, social and environmental problems. If these problems are not addressed collectively, there will be little prospect of achieving reasonable and sustainable levels of prosperity and quality of life, which are shared equitably.

For too long, the world has witnessed unacceptable and growing levels of greed, selfishness, dishonesty, materialism and corruption. These have resulted in an obsession with making money, regardless of the effect on individual people, society and the environment.

Many young people are becoming increasingly disrespectful of authority and society generally. An unacceptable number of young people are increasingly prone to drug taking, binge drinking, violence, road rage, vandalism and other forms of anti-social and unlawful behaviour. It is disturbing that many of these young people may grow up to be the business, community and political leaders of the future.

A minority of people (young and old) verbally abuse, and even physically assault, police officers, ambulance drivers/paramedics, nurses, taxi drivers and bus drivers. Most people believe this behaviour is totally unacceptable, and they are shocked and dismayed that these actions often result in very lenient penalties or no penalty at all.

The time has come for the silent majority of Australia and the rest of the world to make a stand in relation to the sorts of issues discussed in this paper.

The topics covered in the paper are those which appear to be of most concern for ordinary people. Under each topic (see 'Matters of Concern') the following are provided:

- a brief description of relevant issues
- a set of proposals which would assist to address the issues
- a summary of the benefits which would result if the proposals were to be adopted.

PREFACE

For several years a number of issues seem to have been discussed frequently and with deep concern in social situations and the media. A great deal of disillusionment and frustration concerning these issues appears to be felt by many, as there seems to be a wide-spread belief that there is nothing ordinary people can do about the serious condition Australia and the rest of the world are in. I too have felt concerned and frustrated for some time. This paper is a way for me to do my bit – an attempt to make a difference, no matter how small.

The purpose of this paper is to:

- record some of these concerns in writing, as a means of helping to increase their exposure and profile
- suggest a number of proposals which I believe would assist to address many of the concerns.

The paper contains a several generalisations and opinions. These cannot be avoided without extensive research.

The financial and social fabrics of Australia and elsewhere are closely interwoven and cannot be meaningfully separated. Accordingly, this paper addresses both aspects together. Environmental issues are not specifically addressed in the paper, because I believe that if we all become less self-centered, and give more consideration to the impact our actions will have on future generations, many of the environmental problems will be corrected.

Some of the proposals in this paper may be costly to implement initially. However, they would result in significant financial and social benefits in the future. The question should not be: 'Can we afford to do these sorts of things?' It should be: 'Can we afford not to?'

THE SITUATION

Most people are deeply worried about the current global financial crisis. However, as grave as the financial situation is, focusing only on the financial aspects will do little to help Australia and the rest of the world to recover from the current turmoil. For many years society has suffered a severe deterioration in morals, ethics, integrity and decency. This decay in personal and community values has been a major cause of the current financial crisis.

In addition, decisions by governments about financial matters generally have considerable social consequences and environmental impacts. Similarly, decisions about social and environmental issues have major financial ramifications.

Therefore, financial, social and environmental issues are closely interconnected and inseparable. It is imperative that Australia and the rest of world adopt a holistic approach to tackling the various financial, social and environmental problems. If these problems are not addressed collectively and with high priority, there will be little prospect of achieving reasonable and sustainable levels of prosperity and quality of life, which are shared equitably.

There are many honest, decent, hard-working and community-minded people in the world, and in Australia in particular. The incredible responses to the recent Victorian bushfires are testament to this. However, there are far too many people in Australia and elsewhere who display the opposite characteristics.

For too long, the world has witnessed unacceptable and growing levels of greed, selfishness, dishonesty, materialism and corruption. These have resulted in an obsession with making money, regardless of the effect on individual people, society and the environment. There have also been disturbing increases in cultural, ethnic, political and religious extremism, which have compounded the problem.

Many young people are becoming increasingly disrespectful of authority and society generally. An unacceptable number of young people are prone to drug taking, binge drinking, violence, road rage, vandalism and other forms of anti-social and unlawful behaviour. It is disturbing that many of these young people will grow up to be the business, community and political leaders of the future. The situation is of great concern to most older members of society, as well as the many fine and decent young people.

A minority of people (young and old) verbally abuse, and even physically assault, police officers, ambulance drivers/paramedics, nurses, taxi drivers and bus drivers. Most people believe this behaviour is totally unacceptable, and they are shocked and dismayed that these actions often result in very lenient penalties or no penalty at all – even in cases that constitute a serious offence.

If nothing is done to combat these social ills, it is likely they will get a lot worse in the near future, given that the experts expect people will experience even greater financial hardship before the situation improves.

If people, communities and countries were less selfish, materialistic and obsessed with making money, the world would also be in a better position to combat the major environmental problems such as global warming, climate change and the degradation of flora and fauna.

One of the most toxic characteristics of society in Australia and elsewhere is the chronic and deep seated 'us and them' attitude. This destructive attitude pervades nearly every aspect of life, including private and public sector workplaces. The world would be a much happier, fairer, safer and more productive place if the 'us and them' disease could be eradicated. We all need to realise that the executives and non-executives of an organisation are all part of the same team – as are a company's shareholders and employees. So too are the different racial and ethnic groups within a country. And all the countries of the world are part of the same global team. This may sound a bit far-fetched, but it is important for us to have high-level aspirations we can all strive toward. A number of the proposals offered in this paper would contribute to achieving the elimination of the 'us and them' culture.

The time has come for the silent majority of Australia and the rest of the world to make a stand and declare:

“Enough is enough.

This situation cannot be allowed to continue.

We have to make some tough and innovative decisions.

We don't care what the small brigade of 'do gooders' might say.

We don't care if we offend those few people who are preoccupied with political correctness.”

So we, as ordinary people, need to take action – individually and through our elected representatives – to make a difference. There has never been a better time for governments to bite the bullet and implement creative measures that, under more normal circumstances, might be regarded as somewhat courageous or radical.

MATTERS OF CONCERN

1 CAPITALISM IN THE REAL WORLD

Issues

Pure capitalism, operating in a perfect world, is capable of being an excellent system. Unfortunately, the world is far from perfect. The conditions required for pure capitalism to operate effectively and fairly do not exist in any sector of the world economy. Perfect competition – as the economists call it – does not exist in reality, and nor does the so-called level playing field. Free enterprise is much more free for some than others. Capitalism therefore needs to be carefully controlled and policed. Unfortunately this has not been happening, and this is why the world is in such a dire predicament.

In reality, unbridled capitalism can lead to extreme greed, exploitation and disregard for the environment, communities and individual people – except for the chosen few. This has led to an unacceptably large and growing gap between the ‘haves’ and the ‘have-nots’. It has also resulted in the extreme financial and social turmoil experienced around the world, particularly over the past year or so.

In order for Australia and the world to recover from the current situation, and to avoid sliding back into it again, capitalism needs to be injected with strong and regular doses of social conscience. This moderation of the free enterprise system is essential – and the world could certainly do with more moderation and less extremism.

This is not to say that capitalism is all bad. On the contrary, it has served the free world well in many respects. A healthy business sector is certainly vital for creating jobs and increasing incomes. However, as stated above, in the real world, capitalism displays several major deficiencies which need to be counter balanced by continuously placing greater importance on the wellbeing of the environment, communities and ordinary people. After all, everyday people, generally, are productive employees and decent, contributing members of society. As such they too are essential for a strong and sustainable economy.

Proposals

- 1.1 Governments¹ should publicly acknowledge that the financial, social and environmental aspects are too closely interwoven to be treated as independent entities.

¹ In this paper, the term ‘governments’ refers to governments at all levels (local, state and federal), as applicable.

- 1.2 Governments should publicly commit to addressing the three aspects as a single package.
- 1.3 Governments should give serious consideration to implementing a number of initiatives, including those proposed below, as a means of working towards eradicating the financial and social ills that are of such deep concern to so many people.

Benefits

- If the excesses of real world capitalism are moderated, Australia and the rest of the world would be assisted significantly in their efforts to recover from the current turmoil and to avoid falling back into it again.
- Capitalism, blended with a strong social conscience, would enable the achievement of reasonable and sustainable levels of prosperity and quality of life, which are shared equitably. The world would also be in a better position to combat its environmental problems.
- Taking steps to eradicate the 'us and them' disease would assist the world to become much happier, fairer, safer and more productive.

2 EXECUTIVE EARNINGS

Issues

There are too many executives in Australia and elsewhere being paid obscenely exorbitant packages. Many executives receive total remuneration of \$6 million per annum or more. That is 100 times more than average earnings. It is surely not possible for one person – no matter how productive he or she is – to be worth 100 times more than an 'average' person. Yet it keeps happening, and the gap keeps getting bigger.

The problem is that many executives behave as if they belong to an exclusive international 'club'. They, as members of the club, award themselves large pay increases around the globe. Then, the executives of each company argue their pay should be even higher so that they can attract the best people. So, high executive remuneration has become self-perpetuating.

When non-executives, who are not members of the club, ask for a pay rise, they are generally told by the club members that the company can only afford to give them a modest pay rise, or that it can't afford to give them an increase at all. No wonder there is such a large and growing gap; and little wonder there is such growing dissatisfaction in society regarding executive earnings.

Many so-called executive performance bonuses also appear to be totally unjustified and inequitable. Performance bonuses often seem to be simply a mechanism to inflate remuneration packages without basic salaries appearing to be too excessive.

Apart from the issue of the size of these bonuses, a person's pay should not be related to things over which he or she does not have substantial or complete control. CEOs and other executives do not have this level of control over the businesses they manage. This is amply demonstrated by the fact that:

- during the resources boom, most companies made huge profits despite a lack of competence displayed by many of their executives
- during the current financial crisis, most companies have been making enormous losses in spite of the best efforts of many highly competent executives.

In the public sector, performance pay and performance bonuses make even less sense.

The issue of exorbitant executive earnings is a classic case of the 'us and them' disease referred to above. Generally, executives and other employees behave as if they are on opposing teams. Every effort should be made by governments and people generally to eliminate this highly unproductive and destructive culture.

In addition too many executives, in both the private and public sectors, seem to receive huge severance payouts when they leave their organisation, often before their contract has expired. This seems to happen even when the organisation has been performing badly.

Proposals

- 2.1 Governments should do everything they can to discourage the excessive pay packages, performance bonuses and severance packages paid to executives in the private and public sectors. [However, measures of this sort won't be enough on their own.]
- 2.2 Private sector executive remuneration should be voted on by shareholders (as has been suggested by others). [But this too will not be enough, as only a small proportion of shareholders are 'ordinary' people; and many shareholders are members of the 'club'.]
- 2.3 A tax should be levied on businesses, based on the difference between the average earnings² of the top 10 per cent of the employees³ of the business and the average earnings of all its employees. The tax should also be weighted according to the number of employees who constitute the top 10 per cent.
- 2.4 A tax should be levied on businesses, based on any severance packages awarded by the business, in excess of \$600,000, i.e. about 10 times average earnings.
- 2.5 A tax should be levied on individuals who receive a severance package in excess of \$600,000, i.e. about 10 times average earnings.

² Earnings should include all forms of remuneration including bonuses and allowances. In the case of part-time employees, their earnings should be scaled up to the full time equivalent.

³ Including board members.

- 2.6 The rates of these taxes should be high enough to act as a serious disincentive to employers paying, and executives receiving, unreasonably generous packages, but not so high as to damage the operations of organisations.
- 2.7 The revenue from these taxes should be used to fund programs to reduce unemployment and to provide financial support to people who are unemployed through no fault of their own⁴.

Benefits

- The gap between very high incomes and average incomes would become much more reasonable, fair and sustainable.
- Dissatisfaction, alienation and disillusionment would be significantly reduced, which is likely to result in increased productivity.
- A reduction or elimination of performance bonuses and performance-based severance packages would make packages more transparent, logical and reasonable.
- By applying the additional taxes at points that are linked to average earnings, if packages increase at a faster rate than average earnings, they will attract proportionately higher levels of tax.
- To the extent that the revenue from the proposed taxes reduces the unemployment rate, considerable financial and social costs would be avoided.
- The toxic effects of the 'us and them' attitude would be significantly reduced. Instead, a feeling of everyone being part of the same team would begin to grow.

3 GAIN SHARING

Issues

Generally, the management/executive/owners/shareholders groups and the employee group behave as if they are in destructive competition with each other. This is another example of the highly unproductive 'us and them' culture that exists in most organisations.

An effective way of combating the problem is to give employees a share of the gains that are made by private and public sector organisations in the form of decreased costs or increased revenue. The share can be in various forms including cash paid to employees, based on an agreed formula which is applied when a gain has been made.

⁴ People who are unemployed as a result of misconduct or genuine poor performance should be excluded.

The benefits of the above form of gain sharing can be enhanced by the payment being in the form of shares in the business.

Proposals

- 3.1 Governments should provide every possible encouragement to employers and employees to enter into gain sharing arrangements.
- 3.2 The federal government should provide tax incentives for employers who operate gain sharing schemes.
- 3.3 The federal government should provide greater tax concessions for employees who receive cash or shares from a gain sharing arrangement.

Benefits

- People would be rewarded for effort to a greater extent.
- All parties would be encouraged to work cooperatively as part of an overall team.
- Dissatisfaction, alienation and disillusionment would be significantly reduced.
- If the payment is in the form of shares in the business, employees would develop a direct and growing financial stake in the business.
- The toxic effects of the 'us and them' attitude would be significantly reduced. Instead, a feeling of everyone being part of the same team would begin to grow.

4 GOODS AND SERVICES TAX

Issues

Many people were in favour of the goods and services tax (GST) proposed by Paul Keating in 1985, as well the GST introduced by John Howard's government in 2000. A GST is a fair and effective tax, provided its introduction, or an increase in its rate, is accompanied by:

- corresponding reductions in income tax
- fair compensation is paid to people who pay little or no income tax.

The GST rate should be increased as soon as possible provided it is accompanied by corresponding reductions in income tax, and people who pay little or no income tax are fairly compensated. The rationale for this is as follows.

Income tax (including tax on profit) is based on the "assessment" of income and expenditure – both of which are very difficult to define, quantify and verify accurately.

Income – Business owners and high income earners find many ways to make their income appear, for tax purposes, to be considerably lower than it really is. A variety of means are used to ‘hide’ income, which range from being technically legal to totally illegal. The legality of many of the mechanisms used is unclear and uncertain due to the complexities of the *Income Tax Assessment Act* and the difficulties associated with defining and verifying income. A considerable amount of ‘true’ income therefore misses the income tax net.

Expenditure – Many business owners find numerous ways to make their business expenses appear, for tax purposes, to be higher than they really are. In addition, goods and services wholly or mainly for private purposes are sometimes ‘charged to the business’ so that, in effect, the ‘Tax Man’ pays a significant proportion of the cost of such items.

As a result of the above, many business owners and high income people pay considerably less tax than they should. In contrast, the ‘PAYG group’ generally pays a disproportionately large amount in income tax.

Proposals

- 4.1 The GST rate should be increased to 15 per cent as soon as possible, and should then be increased to 20 per cent after a further year.
- 4.2 These increases in the GST rate should be accompanied by corresponding reductions in income tax, and fair compensation should be paid to people who pay little or no income tax.

Benefits

- For reasons outlined above a change to the tax system which reduces the reliance on income tax would be more equitable.
- The significant cuts in income tax rates (accompanying the increase in the GST rate) would result in considerably less effort being put into finding elaborate ways and means of minimising income tax.
- Although some income tax evasion and avoidance would still continue, most of the taxable income that would escape the income tax net would be spent on consumption goods and services which would attract GST (at the higher rate).

5 TRANSFER OF BUSINESS OPERATIONS TO FOREIGN COUNTRIES

Issues

Decisions to move operations to a foreign country are generally made on the grounds of cost reduction. In financial terms these may be legitimate business

decisions. However, as businesses and shareholders become more aware of, and place a higher value on, social and environmental factors, it will hopefully be more likely for them to be persuaded to keep more of their operations in Australia.

The transfer of operations to a foreign country on financial grounds alone is normally associated with significant social costs in the country concerned. These mainly relate to unacceptably low rates of pay and unsatisfactory working conditions, and even the use of child labour.

Business decisions to move activities off shore also result in job losses in Australia, which in turn give rise to considerable financial and social costs domestically. (See '7 The High Cost of Unemployment' below.)

The quality of goods and services produced in many foreign countries is significantly inferior to those produced locally. This is something which has caused a great deal of dissatisfaction among Australian consumers. Unfortunately, the businesses concerned do not seem to place sufficient importance on customer satisfaction.

Proposals

- 5.1 Governments should use every means at their disposal to encourage businesses to keep their operations in Australia.
- 5.2 The federal government should introduce a tax, based on the value of payments remitted overseas for the foreign operations of local businesses.
- 5.3 The federal government should provide tax incentives to reward businesses that keep their operations in Australia. These tax incentives should be based on the proportion of the value added of the business that is generated locally.
- 5.4 Governments, businesses and business associations should do everything possible to promote a 'buy Australian products' campaign.

Benefits

- To the extent that measures such as the above would reduce Australian unemployment, considerable financial and social costs would be avoided.
- Australia's contribution to perpetuating and supporting unacceptable working conditions in other countries would be reduced.
- In addition to reducing local unemployment, the 'buy Australian products' campaign would help to develop greater patriotism and national pride.

6 INCOME TAX RATES

Issues

The fact that income tax rates have been reduced over the years is to be applauded, and further reductions for the majority of taxpayers should be implemented as soon as possible. However, the current tax scales mean that a person on \$180,000 per year pays the same marginal rate as someone on say \$5 million per annum, which is not reasonable or equitable.

To some extent, the taxes referred to in '2 Executive Earnings' above will act as a disincentive to companies paying their executives excessive amounts. But this will not achieve the objective entirely. In addition, the taxes concerned would not apply to the many entertainers, sportspeople and business owners who earn exorbitant amounts of money. For these reasons, there needs to be an additional tax bracket applying to very high income earners.

Proposals

- 6.1 A new income tax rate should be applied to people earning very high incomes. This tax rate should cut in at \$600,000 per annum, i.e. about ten times average earnings.
- 6.2 The point at which the new tax rate applies, should be linked directly to average earnings
- 6.3 The revenue from this tax should be used to fund programs to reduce unemployment and to provide financial support to people who are unemployed through no fault of their own.
- 6.4 The current rates of personal income tax should be reduced as far as possible for all but very high income earners.
- 6.5 The second highest tax rate (currently on incomes of \$180,000 per annum or more), which in terms of the above proposal would be the highest rate for the vast majority of tax payers, should be the same as the corporate rate.
- 6.6 The tax thresholds should be indexed to eliminate bracket creep. The index should be based on average earnings rather than the CPI.

Benefits

- The gap between very high incomes and average incomes would be reduced, which would be more reasonable, equitable and sustainable.
- Dissatisfaction, alienation and disillusionment would be reduced significantly.

- The toxic effects of the 'us and them' attitude would be significantly reduced. Instead, a feeling of everyone being part of the same team would be encouraged.
- There would be a perception among most people that the new tax would ensure that those on very high incomes would be putting something back into society.
- By applying the new tax rate at a point that is linked to average earnings, if high incomes increase at a faster rate than average earnings, they would attract proportionately higher levels of tax.
- To the extent that the revenue from the proposed tax would reduce the unemployment rate, considerable financial and social costs would be avoided.
- Reducing the second highest tax rate to the corporate rate would eliminate any incentive for people to form companies for purely tax reasons. It would also eliminate the benefit related to people charging private or semi-private expenses to the company.

7 THE HIGH COST OF UNEMPLOYMENT

Issues

Governments, businesses and society should place a higher value on people being in gainful employment when assessing proposals for increased productivity and/or cost reduction. The push for greater efficiency is a valid objective, but all the financial and social costs related to people being out of work, should be fully factored into the equation.

The financial impacts on governments include: the cost of the unemployment benefit, cost of programs and services designed specifically for the unemployed, loss of income tax revenue, reduced consumption spending, reduced saving, and an increased requirement for public housing.

The social costs of unemployment include: loss of self esteem, feelings of worthlessness, despair, anxiety, suicide, alcoholism, illness, the psychological effect on children, family breakdowns, family and other forms of violence, drug addiction, anti-social behaviour and other forms of crime. These social costs ultimately lead to increased financial costs to governments.

In total, these financial and social costs are enormous. The federal government could therefore afford to pay a significant amount to an employer who is considering laying off an employee for reasons of cost reduction – without the government or community being any worse off. It would not be difficult to identify genuine cases of this sort.

Government funds are now extremely tight and will be increasingly so for some time to come. Therefore it is unreasonable for unemployed school leavers to be eligible for unemployment benefits.

Proposals

- 7.1 Governments, businesses and society should place a higher value on people being in gainful employment when assessing proposals for increased productivity and/or cost reduction.
- 7.2 The federal government should pay a significant subsidy to an employer who is considering laying off an employee for reasons of cost reduction. In return, the employer would undertake to keep the employee gainfully employed for an agreed period of time.
- 7.3 The above subsidy should be in the form of a fortnightly payment, which should cease after the agreed period.
- 7.4 Governments should also provide every possible encouragement, assistance and incentive to businesses to maximise their employment levels.
- 7.5 All remaining payroll taxes should be abolished.
- 7.6 Unemployed school leavers should not be eligible for unemployment benefits. In cases where this causes significant financial hardship, assistance should be given to the family, via the parents.

Benefits

- To the extent that these measures would reduce unemployment, significant financial and social costs would be avoided.
- Not making the unemployment benefit available to school leavers would give greater incentive for young people to do everything possible to get a job.
- It would also help less responsible parents realise that they have a significant role in developing constructive values and attitudes in their children.

8 EMPLOYMENT IN THE PUBLIC SECTOR

Issues

Clearly, governments should not employ people for the sake of it. However, it makes no sense for governments to reduce the number of people they employ for cost reduction reasons – as is happening across Australia at present – while giving companies and individuals large sums of money to stimulate consumer spending and employment, and while paying large amounts in benefits to unemployed people.

Proposals

- 8.1 Governments should take all the financial and social costs fully into account when deciding on the number of positions that will be available in the public sector.
- 8.2 Governments should not reduce the number of people they employ for reasons of cost reduction alone. They should employ people to the most feasible extent possible on worthwhile infrastructure projects and other activities designed to stimulate the economy.

Benefits

- To the extent that these measures would reduce unemployment, significant financial and social costs would be avoided.
- Governments would be seen to be making a meaningful contribution to reducing unemployment.

9 THE VALUE OF GOOD PARENTING

Issues

Bringing up a child is one of the most important functions most parents will ever undertake. In most cases, it is indescribably rewarding, pleasurable and joyous for parents. However, it can also be extremely challenging, perplexing and confusing. Yet, people are not taught how to be good parents before they become parents. And there is very little support provided to the general population on an ongoing basis regarding good parenting skills. This makes no sense at all, given that children are society's most precious asset.

From an early age, many children are exposed to bad attitudes and behaviour, unacceptably low levels of integrity and morality, and excessive drinking, drug taking, arguing, obscene language and violence in the home and elsewhere.

It is no wonder that many children born into this world grow up to be greedy, dishonest and badly behaved business executives, politicians, civic and community leaders, and ordinary members of society.

Too many young people are disrespectful, rude, inconsiderate, ill-mannered, materialistic, self-indulgent, selfish, promiscuous and aggressive. Many have little respect for authority, their parents, the law, society, their teachers, and the elderly. Some are prone to excessive alcohol consumption, binge drinking, tobacco smoking, other drug taking, driving under the influence of alcohol and other drugs, 'hoon' driving, road rage, vandalism, other forms of anti-social and illegal behaviour, violence, car theft and home invasion. Sadly, many young people also lack acceptable levels of self-esteem, self-worth, and motivation.

As parents, and members of society generally, we are not doing these young people any favours by continuing to bring them up to be like this. Judging by the unacceptably high rates of youth suicide, a large number of them are unhappy. Our young people deserve better from us!

In order to do better, major changes need to be made in the area of parenting.

Many parents do not have the inclination or skills to:

- teach their children respect for adults or authority
- develop in them high levels of self-esteem, self-discipline and integrity
- teach them good eating and exercise habits
- teach them financial management skills.

Too many young children are allowed to go out without adult supervision. This can expose them to bad behaviour and anti-social attitudes, which they often copy because they come to think it is the normal way to behave. It can also encourage the formation of gangs and the gang culture.

Children need clear and consistent boundaries and discipline. Mild spanking carried out with love, as opposed to hitting a child in anger, should not be outlawed. It would be more sensible to outlaw other forms of unacceptable parent behaviour, including excessive drinking, drug taking, arguing, obscene language and violence in the home.

Proposals

- 9.1 Governments, as well as society in general, should carry out a complete re-appraisal of the role of good parenting in society.
- 9.2 Ways and means should be found to develop ongoing and easily accessible programs and courses on good parenting, and to strongly encourage parents-to-be and parents to take advantage of them. Particular emphasis should be placed on early childhood courses.
- 9.3 Parents should be trained and encouraged to teach their children that certain behaviours and attitudes are wrong and harmful.
- 9.4 Parents should be trained and encouraged to instill in their children good morals, ethics, integrity, compassion, community spirit, self esteem, self worth, consideration for others, respect for authority and respect for other people.
- 9.5 Training should be more widely available to parents on how to budget and live within their means. They, in turn, should be encouraged to teach their children about financial skills. In particular, parents and children should be educated about the dangers of excessive debt.

- 9.6 It should be illegal for children and young people, say less than 14 years of age, to be in a public place without suitable adult supervision⁵.
- 9.7 It should be illegal for young people, say less than 18 years of age, to be in certain designated areas⁶ without suitable adult supervision⁷.
- 9.8 Mild spanking carried out with love, as opposed to hitting a child in anger, should not be outlawed.
- 9.9 Excessive drinking, drug taking, arguing, obscene language and violence in the home should be made illegal.
- 9.10 Governments, particularly the federal government, should seriously consider withholding certain benefits from parents who refuse to attend training on good parenting.
- 9.11 Parents should be held responsible for the bad behaviour of their children, and should meet any financial costs resulting from these behaviours.
- 9.12 The tax and transfer systems should provide greater support and encouragement for a stay-at-home parent in each family, particularly when the children are at a young age.

Benefits

- Initiatives such as the above would mean that young children would grow up being better behaved, and have improved feelings of self-worth.
- By having more positive behaviours and attitudes through adolescence, children and society in general would be much better off.
- When they leave school they would be better equipped to face life and to embark on higher education or technical training, or to carve out a career.
- When they become parents themselves, they would be better able to avoid the mistakes that some parents of today seem to be making
- Their children would be in an even better position to become decent members of society, and become excellent parents. And so the cycle of improvement would continue – if we would be proactive enough to make it happen.

⁵ A suitable adult should be defined as a parent, guardian or other close adult relative. An adult friend or acquaintance should not be regarded as a suitable adult for this purpose.

⁶ Designated areas would be those areas containing a concentration of night clubs, bars and other adult venues where significant violence, excessive alcohol consumption and/or drug taking and other forms of anti-social behaviour occur frequently.

⁷ As per Footnote 5 above.

10 THE EDUCATION SYSTEM

Issues

As indicated in '9 The Value of Good Parenting', the fundamental responsibility for bringing up children in such a way that they become decent and productive members of society, lies primarily with parents. However, the education system also has a major role to play in this critical process. In fact, like the other issues discussed in the paper, the role of parents and the role of the education system are strongly interconnected and inseparable. The education system should reinforce and support the roles performed by good parents. To do this the education system needs to apply the same principles and values as parents.

Society has put teachers, principals and other school staff in a 'no win' situation. It is extremely difficult to teach children who possess little discipline and respect, and who have little self-esteem, ambition and motivation.

Teachers need effective means of creating and maintaining discipline in schools, and this discipline needs to be reinforced and supported by governments, society in general, and parents in particular. In tandem with this, the education system should assist parents in overcoming the bad behaviour and other deficiencies referred to above.

Of course, everything possible should be done to teach children how to improve their decision making skills and judgement. But we should all acknowledge that children will not be capable of operating like well balanced and mature adults until they have become well balanced and mature adults. Children should be made aware that a small number of people never reach this state. Unfortunately, many of these people drop out of mainstream society, become isolated and unhealthy (mentally and physically) and turn to crime. Some even end up in jail. It should be stressed to children that we all – parents, teachers and society generally – want them to avoid going down this path of self-destruction and unhappiness, and that everything possible will be done to help and support them in this. But children need to be taught to be comfortable with being helped in this way.

The high rate of truancy is one of the major causes of young people 'losing their way', and becoming involved in anti-social behaviour and crime.

Proposals

- 10.1 Governments and society need to re-create conditions in schools that are conducive to learning – and this learning should not be confined to academic subjects only.
- 10.2 This should be done by expanding school curricula as well as developing other appropriate school-based programs and activities. Schools should become more holistic in their approach. They should teach a number of 'non-core' subjects such as personal, family and community values, good citizenship, personal development and various 'life skills' and employment-related skills.

- 10.3 Teachers and other school staff should be given effective means of creating and maintaining discipline in schools, and this discipline should be reinforced and supported by government, society in general, and parents in particular.
- 10.4 Schools should be instructed to focus on the responsibilities and obligations of children rather than their rights.
- 10.5 All school children should be required to wear their school's full uniform. Governments should assist those parents who suffer genuine financial hardship as a result.
- 10.6 Children should be taught by parents and schools that their judgement and decision making skills will not be sound and reliable until they are well into their twenties. They should be assured that this is okay and perfectly normal. But it does mean that, until they are older, they need guidance, advice and even protection, as well as clear and consistently applied boundaries.

Benefits

- Initiatives such as the above would be of considerable assistance to parents in their attempts to bring up decent and well behaved children who will grow up to be productive members of society.
- Initiatives such as the above would help young people to behave better, develop greater feelings of self-worth, and to develop into better citizens.
- Learning outcomes would be improved as a result of fewer distractions and greater motivation.
- Young people would develop better personal, family and community values.
- They would be better able to cope with life and to get a good job.
- The wearing of school uniforms would generally cost parents less money, as the desire to make fashion statements would reduce. It would also develop a greater sense of identity and belonging among younger people.
- Anti-social behaviour, violence and other forms of crime would be reduced, leading to increased financial and social benefits.

11 THE VAST UNTAPPED POTENTIAL OF SCHOOL FACILITIES

Issues

Every weekday during school terms a couple of million children across the nation travel to and from schools. The fact that schools have extensive facilities, coupled with the fact that the nation's future adult citizens are grouped together at convenient locations for considerable periods of time, should be utilised to a far

greater extent. This could be achieved with minimal effort and in a very cost effective way. In the afternoons the majority of these young people are currently transported to numerous widespread venues to participate in a range of other activities including practically every sport, as well as dancing, music, cubs, scouts, guides and the like.

Ways need to be found to use school facilities to better advantage while at the same time enabling young people to be engaged in beneficial activities while under good supervision.

Proposals

- 11.1 To the greatest extent possible, these activities should be carried out at, and in association with, schools. Activities that are provided on a commercial basis would still need to be paid for by parents. However, some of the charges would be able to be reduced, as use of the school facilities would be at a reduced charge, and a larger number of children would be likely to participate. Teachers would not have to become experts in a variety of new activities, and they would not have to work extra hours.
- 11.2 The details of funding and charging mechanisms would be relatively simple, and ways could easily be found to assist those who are financially disadvantaged. Existing sponsorship arrangements would continue, as would the current support given by local government authorities.
- 11.3 Those activities that are currently made possible due to the efforts of volunteers, mainly parents, should continue on this basis. But they should be located at, and provided in association with, the schools.
- 11.4 School hours should be increased to cover these 'extra' activities and it should be compulsory for all scholars to participate in one or more of the activities during the allotted extra time. Children should represent their school in these activities at all levels of ability, rather than representing a variety of different clubs, associations and commercial entities.
- 11.5 In summary, schools should become major community centres for the overall development of the young, not merely institutions for academic learning.

Benefits

- Young people would be able to have more fun at school and engage in a wider range of non-academic activities. This would result in children developing a more positive perception about their school.
- The current range of 'extra' activities would be provided more conveniently and at less cost.
- The 'extra' activities would become more accessible to those who are currently unable to participate.

- Travel time (and cost) to and from the existing widespread locations would be eliminated.
- The benefits of having this enormous army of parent volunteers focusing their efforts on school-based activities would be substantial.
- An important aspect would be the participation of those children who would not otherwise be involved in such activities.
- A greater sense of belonging, pride in the school and team spirit would be instilled.
- Greater self esteem and self image would be developed.
- Scholars would be constructively occupied for a greater proportion of the day on a greater variety of activities.
- Family relationships would be enhanced, even in cases where the parents do not become directly involved in the 'extra' activities.
- All the above benefits would collectively assist in reducing anti-social and criminal tendencies.
- Scholars' prospects of gainful employment and of becoming productive members of society would be considerably enhanced.

12 PROGRAMS AIMED AT THE FUNDAMENTAL CAUSES OF CRIME

Issues

Many people are deeply concerned about the unacceptable levels of crime in society. Many also do not feel safe in their homes, on public transport and in public places.

Alcohol and other drugs appear to be the cause of criminal activities in many cases (see '13 Alcohol and Other Drugs' below).

Most people appear to have a strong desire to see major improvements in these aspects.

As stated above, parents and the education system have the potential to contribute significantly to addressing these problems. But much more can also be done in other respects.

Mature and enlightened members of society would be prepared to see more of their taxes being spent on a variety of effective crime prevention programs.

Proposals

12.1 Governments should work together to reduce the unacceptable crime rates as a matter of urgency. In addition, the major political parties should work collaboratively on these issues.

12.2 Meaningful and properly resourced community and family programs should be introduced, and existing programs enhanced, to achieve a range of desirable objectives. These objectives should include the development of improved personal and community values and greater self-esteem amongst members of society and the reinforcement of family relationships.

Benefits

- The above proposals would have a significant positive effect on crime rates.
- To the extent that crime rates would be reduced by these and other proposals, significant financial and social costs would be avoided.
- Overcrowding in prisons would be reduced.
- Suffering among family members would be reduced.

13 ALCOHOL AND OTHER DRUGS

Issues

Excessive consumption of alcohol, and the use of recreational and illicit drugs have reached a point where drastic and innovative action needs to be taken. The financial costs and human suffering associated with these behaviours have become a burden that societies can no longer bear.

With regard to alcohol, very few people would argue in favour of banning its consumption completely. This has been tried unsuccessfully, notably during the prohibition era in the United States between 1919 and 1933. Most people would agree that responsible consumption of alcohol is acceptable. However, drunkenness is unacceptable, particularly in a public place, i.e. anywhere other than in a private residence. Being drunk in a public place should be regarded as a serious offence.

The Western Australian Police Commissioner was recently reported as conceding that public order in Northbridge has been lost. He called on the social effects of alcohol abuse in the area to be investigated. It is doubtful that Perth is the only city in Australia to have this problem; and many regional communities appear to have similar problems. This is an appalling indictment on certain elements in our society.

If a person who is behind the wheel of a car is found to have a blood alcohol level of above .06, he or she is regarded as driving under the 'influence' of alcohol, and this is deemed to be an offence – whether or not an accident has occurred. Society has accepted this as reasonable and necessary. The same principles should apply outside of motor vehicles.

Recreational and illicit drugs should also be handled in a similar manner.

Proposals

13.1 Governments should increase the taxes on alcohol. The revenue raised should be used on programs to reduce the excessive consumption of alcohol.

13.2 It should be an offence to carry open alcohol containers in a vehicle.

13.3 Anyone found in a public place to be 'intoxicated' should be regarded as having committed a serious offence. As is the case with car drivers, breath tests should be carried out on anyone suspected of being intoxicated in public. Random breath tests should also be conducted in certain situations. The level at which a person is deemed to be 'intoxicated' should be somewhat higher than the .05 blood alcohol threshold for driving under the 'influence'.

13.4 If a person is suspected of being under the influence of any other drug while in public, a similar procedure should apply. He or she should be required to undertake a breath test, and then where applicable a drug test. Anyone found to be under the influence of a drug while in a public place should be regarded as having committed a serious offence.

Benefits

- To the extent that the consumption of alcohol and other drugs would be reduced by such measures, significant financial and social costs would be avoided.
- A great deal of human suffering would be avoided.
- The crime rate would be reduced; in particular crimes of violence and potential violence.

14 HARSHER PENALTIES FOR CRIMINAL ACTS

Issues

While every effort should be made to implement programs and initiatives aimed at eliminating the fundamental causes of crime, the desired changes in behaviour will take time to achieve. Moreover, such programs will not eliminate all crime. It is therefore necessary to find ways of protecting the victims of crime and potential victims of crime.

Much of the current debate focuses on whether the solution lies in increased penalties or better preventative programs. This misses the point entirely. Both need to be addressed at the same time.

Proposals

- 14.1 The victims of crime and potential victims of crime should be protected and supported.
- 14.2 Alcohol and other drug related violence as well as drink driving should result in significantly harsher penalties.
- 14.3 In relation to all criminal acts, the offenders should be forced to pay compensation to the victims for all losses suffered. If necessary this could be achieved by the selling of items produced by offenders while in prison.
- 14.4 Penalties for all crimes of violence should be significantly increased in order to reduce the incidence of crime against people. (See '18 Violence in Our Society' below.) Even greater deterrents should be in place in relation to crimes of violence against the elderly, women, children and the disabled.
- 14.5 A 'zero tolerance' approach should be adopted. If harsher penalties mean that additional prisons will be required for a period of time, then they should be built. Most taxpayers would be prepared to see more money used for this purpose if it meant that their homes and public places would be significantly safer.
- 14.6 Any new prisons should be built in such a way that they could be converted to alternative uses, if and when the programs referred to above, together with the deterrent effect of harsher penalties, begin to reduce the incidence of crime.

Benefits

- To the extent that these initiatives would result in reduced crime, a great deal of cost incurred by governments and members of society would be avoided.
- Considerable suffering and anxiety would be avoided, and people would begin to feel safer.
- Conversion of prisons to other uses if and when they are no longer required would considerably reduce the net costs of additional prisons.

15 THE JURY SYSTEM

Issues

There has been a great deal of debate recently about how to improve the jury system. It is an antiquated, inefficient and ineffective mechanism for determining guilt or innocence.

The Western Australian juror who recently spoke out about his/her unsatisfactory and distressing experience during a trial should be applauded. He/she is correct in saying it is extremely difficult and stressful for a juror to go against the tide in the jury room.

Many, or possibly most, people don't want to serve on a jury, particularly if it is to be a lengthy trial; and if they are selected, they want to get it over with as quickly as possible. Many jurors also seem to make up their minds before the jury has retired to deliberate.

Generally, jurors do not have sufficient experience or skill to judge whether the truth is being told, or to weigh up a large volume of evidence that is often conflicting and intricate. They also find it very difficult to get their minds around complex legal technicalities, which seem to be at the core of so many cases.

The total cost associated with the jury system – to governments, businesses and individuals – is immense. It is difficult to see how this can be justified given the community's apparent perception that the jury system often does not deliver an acceptable level of justice.

Proposals

15.1 The jury system should be abolished completely.

15.2 Instead of using juries, the judge assigned to the case should decide on guilt or innocence, and determine the sentence. In serious cases more than one judge should be assigned.

15.3 The judge, or judges, should be required to provide a detailed rationale for their verdict and sentence.

15.4 The money saved should be spent on programs to reduce crime, and on support for victims of crime.

Benefits

- Judges generally have the knowledge, expertise, motivation and objectivity required to fulfill this critical role in an efficient and just manner. The use of judges in this way would be much less costly than the jury system.

- In addition, trials would be completed more quickly, which would be beneficial to all concerned.
- Judges being required to provide a rationale for their decisions would make the process much more transparent.
- It would enable any appeals against the verdict or sentence to be based on greater clarity and certainty regarding the processes and outcomes of the trial.
- Abolition of the jury system would eliminate the significant disruption currently experienced by business and the public sector.
- The anxiety and stress that many associate with serving on a jury would be eliminated.

16 THE TREATMENT OF YOUNG OFFENDERS

Issues

The overall 'system' is simply not working as far as our young people are concerned. They regard the 'system' as a joke.

Many young people who commit offences seem to incur very lenient sentences or escape punishment altogether.

Methods of punishment for young people are needed that would act as a very strong incentive for them to behave well. But young people, who are impressionable and do not possess adequate thought processes, should not be given a criminal record for a first time lack of judgement. And they should certainly not be imprisoned with hardened and experienced criminals.

Proposals

- 16.1 If a person under 21 years of age commits a first (non-major) offence, he or she should serve time in a rehabilitation facility, but without incurring a criminal record. The procedure for such cases should be just, swift and uncomplicated. A confidential record should be kept of the offence and punishment, but this would not constitute a criminal record.
- 16.2 The rehabilitation facility should not be a holiday camp. TVs, mobile phones and other creature comforts should not be available; and computers should only be accessible under supervision for educational purposes.
- 16.3 Psychologists, life coaches, sports coaches and the like should be on hand to assist the rehabilitation process. Visits should be restricted to direct family members only.

- 16.4 Although the period of detention should not be excessive, the offender should only be released when a qualified panel believes there is a reasonable likelihood he or she will not offend again. This assessment should be based on a number of factors including the offender's attitude and willingness to cooperate and to learn while in the facility.
- 16.5 If the young person offends again, he or she should serve a longer period in the rehabilitation facility, this time accompanied by a criminal record. A third offence should result in a more severe sentence involving imprisonment in an institution for young, non-habitual criminals.
- 16.6 Corporal punishment, in the form of closely controlled caning should also be considered in certain cases. As with the above approach involving rehabilitation facilities, the first offender who is sentenced to a caning, should not incur a criminal record. The procedure should be just, swift and uncomplicated.

Benefits

- This approach would dramatically lower the crime rate among the youth and would reduce considerably the proportion of first time offenders who go on to offend again or commit more serious crimes.
- This would take the pressure off the prison system, which would reduce the requirement for additional prisons referred to above.
- Youths would not be exposed to more seasoned criminals while serving their sentence.

17 NEW TYPES OF PRISON

Issues

Conventional prisons are only suitable for long-term criminals. Young people and minor offenders of all ages need different types of prison that serve as a strong deterrent while minimising the risk of the offender being tipped into the downward spiral of progressively worse crimes.

Proposals

- 17.1 Youths and minor offenders of all ages should not be exposed to more seasoned criminals while in prison.
- 17.2 Greater segregation in prisons, and a greater variety of prison types, should be introduced to ensure that prisons have a more positive effect on their inmates.

17.3 More specifically, a broader spectrum of prison facilities should be introduced ranging from the rehabilitation facilities referred to above to the more conventional prisons for habitual and seasoned criminals.

17.4 These facilities should be carefully designed and operated.

Benefits

- Given that young or first time offenders who are sentenced to serve time in a rehabilitation facility would lose their freedom, normal comforts and contact with their 'mates', they would have a strong desire to avoid being detained again. This would minimise the probability of repeat offending.
- It would become common knowledge that these facilities are not pleasant and are highly inconvenient, and definitely not a 'cool' place to spend a month or two. This would help to reduce the incidence of anti-social behaviour and minor offending.
- The introduction of a wider range of prison types would ensure that the period of detention has a more positive effect on first offenders as well as minor criminals.

18 VIOLENCE IN OUR SOCIETY

Issues

Crimes of violence, and crimes likely to lead to personal injury, should result in considerably harsher penalties than crimes involving material goods, fraud and the like. The legal/judicial system has been failing in this regard for many years.

On the one hand:

- people have been given prison sentences of up to 20 years for theft
- a Western Australian judge was recently sentenced to two years in prison for lying about a speeding fine.

On the other hand:

- sentences of significantly less than ten years have been given for murder/manslaughter on several occasions
- people have been sentenced to less than two years in cases where extreme violence/assault has caused the death of a human being
- people have been sentenced to less than two years having been found guilty of drink driving, resulting in the death of a child.

This is utterly appalling and illogical to most people. Society can only conclude that the system places a greater value on material goods than personal safety, and life itself.

According to statistics on the Western Australian Police website, the Perth CBD is the most violent place in WA, and violent assaults have increased considerably since 2003. It is doubtful that Perth is the only city in Australia to have this problem; and many regional communities appear to have similar problems. This is

a shocking indictment on certain elements in our society.

When people have caused injury, or even death, while under the influence of alcohol or illicit drugs, they have been given lenient sentences in many cases. This is supposedly due to the fact that they had diminished control of their body and senses at the time. Most people seem to believe this is absurd and totally unjust.

Proposals

- 18.1 Crimes of violence, and crimes likely to lead to personal injury, should result in considerably harsher penalties than crimes involving material goods and other matters.
- 18.2 Any form of physical assault, including road rage, muggings and the like should be regarded in the most serious of terms by law makers and the judiciary. Particularly harsh penalties should apply in cases where public officers have been assaulted, especially the police.
- 18.3 Crimes deemed likely to result in personal injury should be regarded as crimes of 'potential violence'. These should include home invasion and car theft that involves high-speed joy-riding or high-speed police chases. The offenders should be held responsible for any damage (to person or property) resulting from such activities.
- 18.4 The police should not be held responsible provided they act in accordance with approved procedures.
- 18.5 Penalties for all crimes of violence should be significantly increased in order to reduce the incidence of these crimes. Even greater deterrents should be in place in relation to crimes of violence against the more vulnerable members of society – the elderly, the young, women, the disabled.
- 18.6 People who cause injury or death while under the influence of alcohol or other drugs should be judged and sentenced as if they were stone cold sober and/or clean at the time, and in complete control of their senses. If death occurs, they should be charged with murder.
- 18.7 Governments should impose higher taxes on films, videos and video games containing significant levels of violence. Every effort should be made by governments to discourage the production and sale of these products. They should be given the 'R' rating.

Benefits

- Measures such as these would send a clear message that crimes of violence and crimes likely to result in injury to others will not be tolerated in our society.
- They would also send the important message that being under the influence of alcohol or other drugs is no defence and no excuse.

- To the extent that crimes of violence would reduce, considerable financial and social costs would be avoided. A great deal of human suffering would also be avoided.
- People would feel safer in their homes, vehicles, public transport and public places.

19 HOME INVASION

Issues

It is an absolute indictment on our society and the 'system' that many people no longer feel safe in their own homes.

If a home is invaded, there is a high probability that the resident/s will be confronted in circumstances that involve significant fear, and they would often have to respond to the situation without warning and/or while not fully awake.

Proposals

19.1 Any unlawful entry into a home should be regarded with the utmost seriousness.

19.2 Home invasion should be automatically deemed to be a crime of 'potential violence' (as described in '18 Violence in Our Society' above), even in cases where violence does not actually occur.

19.3 Victims' actions in defending themselves, their family or property should be viewed in the most lenient terms. The perpetrator makes a conscious decision to commit the offence. Therefore, utmost priority should be given to the rights of victims and potential victims, rather than those of the perpetrator.

Benefits

- To the extent that home invasion would be reduced, considerable financial and social costs would be avoided.
- A great deal of anxiety and suffering would also be avoided, particularly amongst older people and women living on their own.
- People whose homes are broken into would be able to focus on taking necessary action to defend themselves, their family and their property, without the added distraction of having to worry unduly about whether or not they will be charged with assault.

20 GOOD CITIZENSHIP INCENTIVE BONUS

Issues

The majority of people are decent, law abiding and well behaved citizens. However, they generally receive no acknowledgement, recognition, reward or positive reinforcement in return. In addition, the minority who behave badly and spoil things for others, are often not penalised sufficiently.

A system is needed that provides a strong positive incentive to people to behave correctly, as well as significant negative consequences for those who don't.

Proposals

- 20.1 The federal government should pay people an annual bonus (as outlined below) to encourage good behaviour and good citizenship. People should also incur demerit points for bad, anti-social or unlawful behaviour, in much the same way as for driving offences. These demerit points should be converted to a dollar value and subtracted from the good citizenship incentive bonus.
- 20.2 \$1,000 per year should be credited to all residents between the ages of 14 and 21 years. At the end of each year, the \$1,000 would be reduced by the dollar value of any demerit points incurred during the year, and the balance carried forward to the following year.
- 20.3 Any remaining balance, plus interest, should be paid to each of these young people when they reach 21 years of age.
- 20.4 The above incentive bonus scheme for younger people should be partly funded by reducing or abolishing the first home owners grant.
- 20.5 \$750 per year should be credited to all residents between the ages of 21 and 30 years. \$500 per year should be credited to all residents between the ages of 30 and 60 years. At the end of each year, the credit would be reduced by the dollar value of any demerit points incurred during the year, and the balance carried forward to the following year.
- 20.6 On reaching age 60, any remaining balance, plus interest, should be paid into a superannuation account held by the person.
- 20.7 The above incentive bonus scheme for older people should be partly funded by reducing or abolishing the 'super co-contribution'.
- 20.8 In addition to any other penalty or sentence incurred, demerit points should be applied to behaviours such as the following:
 - Parents not attending training on good parenting
 - Parents whose children are found in public places and designated areas unsupervised

- Children and young people found in public places and designated areas unsupervised
 - Parents whose children miss school without an acceptable reason
 - Young people who miss school without an acceptable reason
 - Hoon driving *
 - Driving under the influence of alcohol or other drugs *
 - Speeding *
 - Being intoxicated in public
 - Being under the influence of other drugs in public
 - Violence / assault
 - Home invasion
 - Theft
 - Anti-social behaviour resulting in a conviction
 - Graffiti and other forms of vandalism
 - Occupants of a vehicle found to have open alcohol in it
 - Occupants of a vehicle found to have other drugs in it.
- [* In addition to driving demerit points currently incurred.]

20.9 Driving demerit points should be added to the above demerit points.

Benefits

- A young person who reaches 21 years of age without incurring any demerit points would receive \$7,000, plus interest. This would be a significant incentive for young people to behave well while they are going through an impressionable period and when they would otherwise be more inclined to misbehave.
- Paying the balance of the incentive bonus, plus interest, to young people at age 21, would assist them to put a deposit on a house, buy a car, buy furniture or other household goods, or travel. It would provide them with a tangible goal to aim for in the foreseeable future. It would enable them to look forward to a significant reward at a time in their lives when they need money to help get themselves established.
- Apart from the monetary incentive (for good behaviour) and disincentive (for bad behaviour), the very existence of the scheme would significantly increase awareness and the profile of the need for good behaviour and good citizenship.
- A person who reaches 60 years of age without incurring any demerit points would have \$21,750 paid into their superannuation account. This would provide a significant and ongoing incentive for people to behave well and be good citizens throughout their lives.
- Paying the incentive bonus (for older people) into superannuation at age 60, would mean that these people would be significantly less reliant on government support in retirement.

- The incentive bonus is likely to result in considerable financial and social benefits. The net cost to government is likely to be minimal. Ultimately, there may even be a net financial benefit to government and society.

21 TREATMENT OF MINORITIES

Issues

All people should be treated fairly, and with respect and dignity – whether they are part of a minority group or a member of the wider community. Sadly, Australia and the rest of the world seem to be bending over backwards to avoid upsetting minority groups – often to the disadvantage of the (silent) majority.

In some Christian countries, there are moves afoot to ban the use of terms such as ‘Christmas Holidays’ and ‘Christmas Tree’. Changes of this sort are being proposed on the grounds that such terms might offend some members of the non-Christian community. Such proposals do nothing to foster harmony between majority and minority groups. They are also nonsensical.

When people immigrate to Australia it is good for them to maintain their culture, provided that it does not negatively impact on Australian culture. If Australians migrate to a foreign country they should make a conscious effort to assimilate with the people of that country, and they should obey and respect its laws, religious beliefs and social culture. People settling in Australia should do the same.

I make these points with conviction, based on first hand experience. My wife and I and our children immigrated to Australia nearly 30 years ago. We were very grateful to Australia for welcoming us and giving us a wonderful new life. In return, we made every effort to assimilate, and we became Australian citizens as soon as we were permitted to. From day one, we have been ardent supporters of Australia and anything Australian, including all Australian sporting teams, and anyone else representing this fine country.

Many immigrants have done this and much more. But, unfortunately, there are some who have not done so.

Proposals

21.1 Governments should continuously reinforce the fact that Australia is predominantly a Christian democracy. They should also actively promote and support the Australian culture, values and beliefs. Non-Christian and non-Australian beliefs and cultures should be welcomed provided they are lawful, ethical and moral, and they do not significantly interfere with the right of the majority of Australians to maintain their way of life, and to live peacefully.

21.2 The above should form part of the oath that people should agree to honour when they become Australian citizens.

21.3 Governments should provide more training in subjects such as English and Australian culture.

Benefits

- Measures such as the above would help to preserve the Australian culture. The values and beliefs held by the majority of Australians would also be protected.
- Multi-cultural and multi-racial harmony and tolerance would be significantly enhanced.
- Mainstream Australians would also be less anxious and less concerned about losing their identity, and about the apparent trend of appeasing minorities at the expense of the majority.

CONCLUDING REMARKS

Many born and bred Aussies don't seem to realise just how good life is in this country, in spite of the imperfections referred to above. Most immigrants become well aware, very quickly, of the great quality of life here. However, some don't show adequate appreciation for the precious gift which Australia offers to its newcomers and longer-term inhabitants.

Unfortunately, a small number of people in Australia are doing their best to destroy the wonderful lifestyle that the land down under is known for.

We all need to make a concerted effort to preserve the many fine aspects of life in Australia, before they are irreparably damaged. If we are not careful, future generations might not regard it as such a lucky country.

As stated above, I believe that measures such as those suggested in this paper would make a significant contribution to addressing the causes of the considerable discontent currently being felt by the silent majority. The measures would also help to restore an acceptable level of equitable and sustainable prosperity, and community values.