

Contact: Clive Hamilton (02) 6249 6221 (bh) or 0413 993 223 (mob.)

CIS 'research' needs scrutiny

The Australia Institute today released a critique of the report by the Centre for Independent Studies entitled *Behavioural Poverty*. The CIS report attracted extensive publicity by claiming that poverty in Australia is due only to the improvident and irresponsible behaviour of welfare recipients.

It also claimed that many unemployed people have higher disposable incomes than the average worker and that the provision of welfare fosters irresponsible behaviour.

The Institute's critique concludes that the CIS report seeks to pass off unsubstantiated opinion as legitimate scholarship and that it is riddled with errors of fact, logical anomalies and breaches of the accepted standards of academic research.

The errors in the CIS paper identified by The Australia Institute include the following.

"The average tax for a family with three children on an income a little above AWE has increased by a factor of 25 (2500%) since 1965" (p. 9).

The average tax rate on average incomes was 13.8% in 1964/65 and had risen to 22.5% in 1995/96. Both the marginal and average tax rates on average income earners have been falling since the mid-1980s.

"In 1975 ... there was no youth homelessness ..., no drug problem, low youth suicide and relatively little crime by minors" (p. 47).

No evidence is given for these implausible claims.

"(M)any moderate earners, their incomes reduced by tax, have disposable incomes the same as, and sometimes even lower than, those whose lower earned incomes are topped up" (p. 4).

This is the major claim of the paper yet no academically acceptable evidence is provided to support it.

The CIS claims that the sole parenting benefits has resulted in a large increase in births to single mothers. A standard analysis of the data reverses this causality. The evidence indicates the benefits were introduced *in response to* the growing number of sole parents.

The CIS is scheduled to produce five more reports in its series on the 'welfare crisis'. The Australia Institute hopes that there will be a great improvement in the standard of scholarship in the forthcoming material. The misrepresentation of opinion as research undermines the credibility of all those who seek to further public debate through professional research and the provision of reliable information.

The Institute's critique can be read at www.tai.org.au