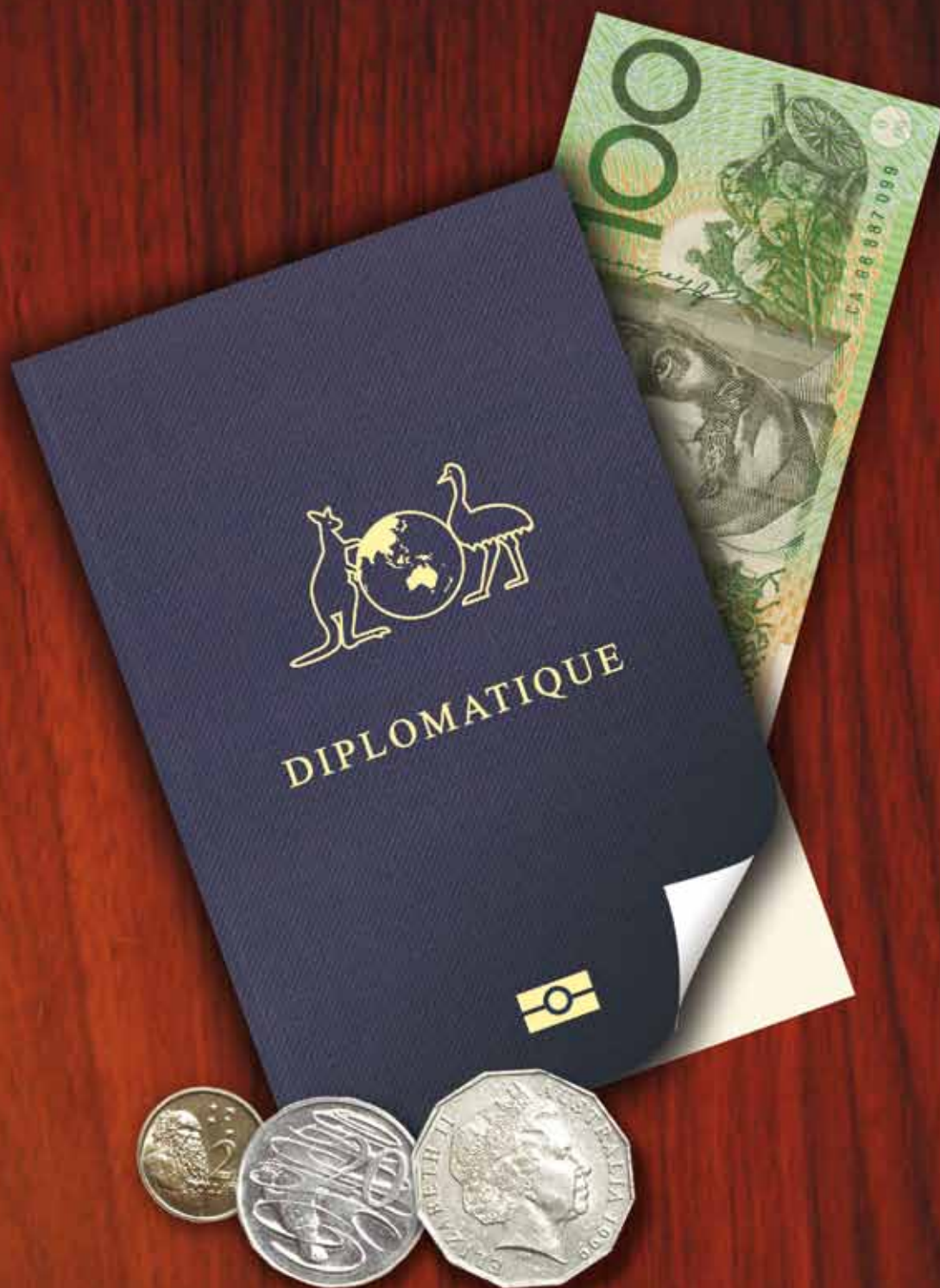


LETTER FROM CANBERRA

Saving you time. A monthly newsletter distilling public policy and government decisions which affect business opportunities in Australia and beyond.



SEPTEMBER 20 to 8 NOVEMBER Issue No. 29 *Special Edition Diplomatie*

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WELCOME

Letter from Canberra is focused on the interface of business and government, with enough politics and bureaucracy to understand the, or any, relevant business opportunities.

We have been publishing Letter from Canberra's sister publication Letter From Melbourne, a public policy digest, for 16 years. Commencing with the Kennett era corporatisation and privatisation of energy and other utilities and the other fresh broom approach of a new government, where we focused on business opportunities. Increasingly, we included matters in the other states and adopted a more federal focus.

The recent change in federal government opens up new business opportunities, particularly the government's new emphasis on climate change, carbon trading, water, industrial relations, education, information technology and the traditional sectors.

For many years, our other publications have included the well-known federal government Departmental Wall Chart. (NOW AVAILABLE at 03 9654 1300 or letterfrommelbourne.com.au)) We conduct seminars and informal luncheons and meetings in Melbourne, Canberra and Sydney.

Most people have their clipping services and a range of email products/newsletters/etc. At the end of the month, Letter From Canberra gives a broad overview of what has been going on, not just in one industry but across all industries and the world of business and government generally. Objective. Independent. Read it on the plane. Or at a coffee shop in New York. And then give it to a friend who is interested in Australia.

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ABOUT THE EDITOR ALISTAIR URQUHART

Alistair Urquhart graduated from the Australian National University in Canberra, in Law, History and Politics, was admitted as a barrister and solicitor of the Supreme Court of Victoria, and remains a (non-practising) member of the Law Institute of Victoria. Before that, he graduated from high school in Bethesda, Maryland, and had many opportunities to become aware of the workings of Washington DC. For 30 years, he listened every Sunday evening to the late Alistair Cooke and his Letter From America.

His early career was mostly in the coal industry, where he became involved with energy, environmental and water issues, and later in the SME finance sector. His public affairs firm works with many engineering and information technology firms, other professional association and industry groups, on a wide range of issues, in Victoria, Canberra and overseas. Urquhart visits Canberra regularly. He may hold the record for miles rowed on Canberra's Lake Burley Griffin.

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EDITORIAL

Our Part Of The World

We publish this magazine, each month, to bring together the important issues and facts from a diverse range of perspectives. You only need be on a trip to miss out on the context of an important story. That's where Letter From Canberra comes in – we provide the facts and the context in a world of wall-to-wall information overload.

This issue's Diplomatique supplement to **Letter From Canberra** is the first in an occasional series, in which we seek to attract readers from beyond Australia's shores, as well as those at home who want to venture into foreign markets.

The editor had an early introduction to government and diplomacy as a 17 year old Australian exchange student in Bethesda, Maryland, in suburban Washington DC, and living with a pentagon-based naval research pilot as Australia entered the Vietnam War, being squashed into a November polling booth with his American mother as they had 'their' vote and then attending the inauguration of President Lyndon Johnson. An added extra during the year was meeting regularly with many other 'foreign exchange students' as we got to know our America and its capital and institutions.

Public policy-wise, this particular edition sums up many issues of Australia on the world stage: our new prime minister taking her first big overseas trips, the visit of Hilary Clinton and Robert Gates to Australia, the high-flying \$A, our banks and their international context, and refugees.

This is the first issue since the August election, so there is some history wrapped around some of the items. We can see the new government grappling with some of the big issues, as it needs to accommodate its Green and independent parliamentary colleagues.

This editor's dream is to be told many, many times, by politicians and others what are the details behind some of the climate change options. So that he and the broader community might get their minds into the detail as to what are the best options. It has been interesting to get to understand the detail of the National Broadband network and other options for it.

I have just returned from the Conservative Party conference in Birmingham. Details of interesting policy developments and methodology in next month's pre-Christmas edition.

IMMIGRATION

A Curtin around it

A new detention centre will be open in Queensland's isolated far north and the Curtin detention centre in the West Australian desert will be expanded – despite Labor denying before the election this would occur, *The Age* reported. The Australian reported that the expansion sparked Opposition claims the government had not been honest with voters by denying the move before the election, and outrage from West Australian Premier **Colin Barnett** who said he had not been consulted. Barnett warned that the decision to almost double the asylum seekers held at the Curtin airbase was dangerous and authorities would not be on hand to cope with any unrest. He accused Immigration Minister **Chris Bowen** of lacking courtesy and the federal Government of being in a state of denial. The RAAF Scherger, a remote far North Queensland Air Force Base near Weipa, will be converted into a detention centre in the short term to house up to 300 asylum seekers. The Curtin detention centre in WA will be doubled to take another 600 detainees, while the Melbourne Immigration Transit Accommodation centre in the western suburbs of Broadmeadows will be expanded to house an extra 100 families and children.

Meanwhile...

Australia's population growth is slowing, with net immigration falling 37 per cent year-on-year in the March quarter to its lowest level in years. The Bureau of Statistics reports that net immigration dropped from 98,138 in March 2009 to 61,780 in the same quarter this year. It is the lowest figure for a March quarter since the bureau adopted new definitions in 2006. In the entire year to March, net overseas migration dropped by 25 per cent, from 320,362 in 2009 to 241,352 this year. Most of that fall was in the last six months, after the Rudd government closed the back door allowing foreign students in low-level courses to stay on as permanent migrants, *The Age* reported. Nearby, the *Herald Sun* reported that Australia is in the grips of a baby boom. There were 303,500 babies born in the year to March, the most since records began, according to preliminary Bureau of Statistics figures. This is 3.1 per cent – or near 10,000 – more babies than the previous year.

The more the better

Business Council of Australia president **Graham Bradley** made the case for continuing the high levels of immigration to underpin economic growth, the *Financial Review* reported.

Second fiddle

Foreign Minister Kevin Rudd says negotiations on Julia Gillard's proposal for a regional processing centre in East Timor will take a long time – and has cast himself in only a secondary role in the effort, *The Age* reported. *The Australian* reported that Rudd said the main responsibility for securing agreement from Dili rested with the Immigration Minister Chris Bowen. Bowen will head to West Timor to revise plans for an offshore immigration processing facility following talks between Julia Gillard and Indonesian Prime Minister **Xanana Gusmao**. *The Age* reported that East Timor has declared it does not want to become a

mere transit point for boat people picked up in Australian waters. At a meeting of foreign ministers in New York, Australia formally put to the governments of East Timor and Indonesia its plan for an asylum seeker processing centre in East Timor. Indonesia's head of immigration criticised the proposal warning it would become a magnet for asylum seekers. The Australian reported that Minister Bowen said Australia could open a number of refugee processing centres across the region, depending on East Timor's ability to cope with large numbers of asylum seekers.

Increased chances of something

Hundreds of Afghans seeking asylum in Australia face an increased chance of being sent home after the Gillard government lifted its freeze on processing applications. Announcing the end of the freeze, Immigration Minister **Chris Bowen** said there would likely be an increase in deportations, *The Age* reported. 'The percentage of successful refugee claims is likely to be lower than in the past,' he said. *The Australian* reported that the decision was made despite the fact security conditions in the war-torn nation continue to deteriorate. The opposition has accused the government of instituting the freeze in April as a political fix to cool public concern about border security before the August election.

Asylum

The 100th boat of asylum seekers to reach Australia this year was intercepted off Christmas Island in early October, carrying 71 asylum seekers. The Opposition said the government continued to founder on border protection, despite identifying it as a key reason why **Kevin Rudd** was dumped as prime minister, *The Age* reported. The arrival of asylum seeker boats 114 and 115 at Christmas Island in early November has pushed the number of arrivals for the year to 5,548, beyond the Howard government's record of 5516 in 2004.

Looking after the kids

Hundreds of children of asylum seekers will be released into the community and will be attending school by June, under a plan announced by the government. Charities and church groups will be funded to care for the children and their parents in privately owned accommodation, such as disused aged care facilities and boarding houses for clergy, until their refugee claims are decided, *The Age* reported. In the *Herald Sun*, **Andrew Bolt** wrote that **Julia Gillard's** latest softening of our refugee laws means more boat people will be lured here, and more may die at sea in the attempt.

Rooms at the inn

Julia Gillard announced plans for two new detention centres to house 2,000 would-be refugees. The centres will be built in Northam, northeast of Perth, and Inverbrackie, in the Adelaide Hills. Members of the two communities have expressed anger at a lack of consultation surrounding the decision and the announcement of the new centres.

The Oceanic Vikings

Refugees from the Oceanic Viking, which rescued 78 Sri Lankan asylum seekers who were sent back to Indonesia by then Prime Minister, **Kevin Rudd**, are challenging their visa rejections in court, paving the way for their eventual resettlement in Australia.

Boatpeople from Britain required

The *Herald Sun* reported that the private firm paid \$370m to manage Australia's detention centres has sent an SOS to Britain for front-line staff. Serco, manager of Christmas Island and other centres, has applied to bring up to 30 of its staff from Britain. As many bureaucrats as boatpeople. *The Age* reported that the Immigration Department is poaching staff from other parts of government to manage the ballooning population of asylum seekers held in detention. Immigration Department secretary **Andrew Metcalfe** wrote to ask 17 other department heads to consider giving up staff for secondment.

Sad

The Age reported that a suicidal Fijian man, **Josefa Rauluni**, 36, had pleaded with the Immigration Department to reconsider his deportation before he jumped to his death in front of other detainees at Villawood detention Centre.

Taking flights

A Commonwealth aviation contracting scandal widened, with a flight broker involved in an Australian Defence Force tender controversy enjoying a near monopoly on asylum seeker transport contracts, prompting complaints from rival firms. Brisbane's Adagold Aviation has 152 out of 156 Department of Immigration and Citizenship asylum seeker flight contracts awarded between June last year and March 31, amassing \$6.49m of the \$7.28m spent by the government on such flights. In 2008-09, Adagold won 23 of 45 asylum seeker flights, worth \$2.31m. The next most successful company won 12 contracts worth \$894,000, *The Age* reported.

Phew

A 14-year-old Melbourne girl has been saved from an arranged marriage by a Family Court by leaving Australia, the *Herald Sun* reported.

FOREIGN AFFAIRS

Homebody

Prime Minister **Julia Gillard** took her first overseas trip the election to hold talks with European leaders on the economic recovery and the country's role in Afghanistan. She attended an Asia Europe meeting in Brussels on October 4-5, the *Financial Review* reported. In a little bundle of foreign affairs news at the start of August, *The Age* reported that Julia Gillard signalled her intention to take an active role in foreign affairs, travelling regularly and ensuring Australia looks beyond its borders to pursue its national interests. In comments seemingly directed at the new Foreign Minister, **Kevin Rudd**, Gillard said she had already locked in three overseas commitments – the G20 meeting, APEC and the East Asia Summit – before the end of the year. *The Financial Review* reported the Gillard said that foreign policy was not really her passion and if she had a choice she would probably be more comfortable in a school watching kids learn to read in Australia than in Brussels at international meetings. **Tony Abbott** welcomed the sentiments, while his deputy **Julie Bishop** criticised them. In another article in *The Age*, **Michelle Grattan** asked what was **Tony Abbott** thinking when he claimed he had not accepted **Julia Gillard's** invitation to go to Afghanistan because he didn't want to arrive for his British visit jet-lagged? An

editorial in the Herald Sun said **Tony Abbott** could not have offered a greater insult to Australian troops serving in Afghanistan than by not going there because he didn't want to miss his beauty sleep. In the same paper, **Andrew Bolt** painted the situation as a piece of political one-upmanship between Gillard and Abbott in an article that said Gillard lost no sleep over her mockery of Abbott. Abbott described Gillard's actions (alerting the press to the fact she had invited Abbott to visit Afghanistan with her) as 'Machiavellian bastardry'. Abbott says he told Julia Gillard at a meeting on September 22 that he had booked a visit to the Australian troops in Afghanistan. He said she failed to reveal this information as the corrosive argument ran unchecked as to which political party was more supportive of the troops. **Christopher Pyne**, manager of opposition business in the House of Representatives, declared that Gillard was a 'back alley streetfighter' and not fit to be Prime Minister. *The Australian* reported that a Newspoll revealed a drop of nine percentage points in approval for the Opposition Leader. The poll was conducted in the days after Abbott was criticised for rejecting the invitation from the Prime Minister. In *The Age*, **Daniel Flitton** wrote that Gillard wants people to know her attention is firmly at home. Like many Prime Ministers before her, Gillard never showed much interest in diplomacy during her early parliamentary career. Wayne Swan was acting PM while Gillard was away. Nevertheless, Gillard is up for four overseas trips in a short time, after her recent comment that 'foreign affairs is not my passion'.

Girls about town

Hilary Clinton finished a ten-day Asia-Pacific tour with two days in Melbourne, which included: a breakfast for women, an ABC hosted public forum at Melbourne University for under 35 year-olds, a short walk along the Yarra beside Federation Square and lunch at Taxi Dining room, a visit to the Port of Melbourne to view American machinery imports, a visit to the Shrine of Remembrance and formal Australian-US ministerial consultations, where she met with Foreign Affairs Minister **Kevin Rudd** and Defence Minister **Stephen Smith**. US defence secretary Dr **Robert Gates** was in attendance for the Australia-United States Ministerial Consultations. Climate change-wise, the two countries have played down obstacles to putting a price on carbon and talked of investment in solar energy projects and more funds for carbon capture.

Partners

The Australian has Australia agreeing to a major escalation of military co-operation with the US, including more visits by American ships, aircraft and troops and their forces exercising here more regularly, including access to Australian defense facilities to allow the US to maintain its Asian presence especially with a growing China as it may wind down some of its other facilities such as in Okinawa.

Bow to your sense

Kevin Rudd as Foreign Minister will have to work to improve Australia's sometimes fractious relationship with China which deteriorated while he was prime minister, *The Australian* reported. Beijing's People's Daily has accused Rudd of failing to recognise China's importance to Australia and the world during his prime ministership – even though he is a China expert. On the opinion

pages of *The Australian*, **Michael Danby**, **Carl Ungerer** and **Peter Khalil** wrote that there are no winners by appeasing China and that bowing to Beijing would be the modern equivalent of the Munich agreement. They welcomed China's enormous economic and social progress but disagree with what the Australian National University's **Hugh White** has produced with his *Quarterly Essay, Power Shift, Australia's Future between Washington and Beijing*, which they describe as a case for appeasing the totalitarian challenge of the People's Republic of China.

Doing the right thing

The Australian Federal Police officers ultimately responsible for the arrest of **Scott Rush** and his Bali nine companions testified for Rush in the hearing that is his best remaining hope of evading the firing squad, *The Australian* reported. *The Age* reported that the AFP went to Bali to save Rush from the firing squad, and to rehabilitate its sullied reputation for helping to put Rush in the predicament in the first place. Former AFP Commissioner **Mick Keelty** and current Deputy Commissioner **Michael Phelan**, the man who authorised the tip-off to the Indonesians about the arrival of Rush and the other Australians, appeared in a Denpasar Court. Keelty said Rush would have received a limited sentence if arrested in Australia, and perhaps only a bond or fine. The AFP alerted the Indonesians to the Bali nine drug syndicate knowing they could face the death sentence. **Lee Rush** was so concerned about his drug-addicted son's trip to Bali he got a friend and lawyer, **Robert Myers**, to call the AFP and beg them to stop Rush from leaving Australia. Keelty insisted the AFP had no knowledge of Rush's involvement until he boarded the plane along with the other smugglers already on the AFP's radar.

Oh Canada

Canada has failed to secure one of two temporary seats on the United Nations Security Council in a three-way contest with Portugal and Germany. The blow to Canadian prestige could assist Australia as it lobbies against European challenges in its own campaign to win a seat in 2012. Canada, Australia and New Zealand are members of the 'Western Europe and Other' bloc that has two temporary seats reserved on the Security Council, *The Age* reported.

The mother country

Ed Miliband, won the leadership of the British Labour Party from the hands of his higher profile older brother, David, in a photo finish, *The Age* reported. The Miliband Brothers are the sons of one of Britain's leading Marxist intellectuals, **Ralph Miliband**, and his academic wife **Marion Kozak**, both survivors of the Holocaust.

The big time

At the annual British Conservative Party Conference in Birmingham, the party's leader and British Prime Minister **David Cameron** called for a volunteer-led 'Big Society' to take on much of the state's role, a call that fell flat with delegates, who share the general public's lack of interest in the concept. A former leader of the party, **Iain Duncan Smith**, who now has the job as minister for welfare, says that the party needs to re-engage with social policy after the economic reforms of the Thatcher years.

Island times

The Australian reported that News Ltd has agreed to sell the Fiji Times, the Pacific nation's oldest newspaper, to businessman **Mahendra Patel**. Patel is the chairman of Fiji conglomerate Motibhai & Company Ltd and a former Fiji Times director.

Peace in China

Jailed political reform leader **Liu Xiabo** became the first Chinese national to be awarded the Nobel Peace Prize, provoking condemnation from the authoritarian Chinese leadership. The writer and university professor, 54, was honoured for his long and non-violent struggle for fundamental human rights in China, Norwegian Nobel Committee president **Thorbjørn Jagland** said in his announcement, *The Age* reported.

'Happy birthday'

China's one child policy turned 30.

RESOURCES

Hard hats, hard evidence

The government mining tax panel is asking disgruntled miners to back up their criticisms with hard evidence, calling on affected companies to submit financial modelling on the tax's impact. However, the main industry group for small miners says meeting the government's tight time frame will be tough as many of the key details of the tax remain up in the air. The government's policy transition group, led by former BHP Billiton chairman **Don Argus**, outlined its consultation plan for the minerals resource rent tax in late September, *The Age* reported. *The Financial Review* reported that an affable start to talks, between junior miners and government representatives, in no way undermines the immensity of the challenge facing Argus as he tries to negotiate a compromise on the proposed minerals tax.

Attach the ship to the rocket

The International Monetary Fund has urged the Gillard government to extend its mining tax and increase consumption taxes so Australia can take full advantage of the mining boom. In a largely positive assessment of the economy's medium-term prospects and the government's economic management, the fund warned that increased reliance on commodity prices means there are vulnerabilities to which policy will need to respond, the Financial Review reported. Minerals Council of Australia chief executive **Mitch Hooke** said that he noted the IMF's comment on Australian public policy but the reality is there is a heads of agreement in place with the government on the minerals resource rent tax.

Fault lines appear in agreement

The Financial Review reported that the government is canvassing significant changes to its mining tax, including altering the \$50m threshold at which the levy kicks in, to hose down the concerns of small miners. *The Age* reported that the Government's agreement with the big miners is under growing pressure, with key players including BHP and Xstrata angered by what they see as Labor having reneged on a central plank of its deal with the industry. After playing a key role in negotiating a softer tax, the large miners are increasingly concerned by comments from Resources Minister **Martin Ferguson**, in which he ruled out protecting

miners against future increases in state royalties. The Age reported that **Julia Gillard** has signalled the government will not back down in response to industry anger over compensation to increases in state royalties. The Australian reported that BHP, Rio and Xstrata called a meeting to consider abandoning their tax agreement with Julia Gillard after the government admitted it was seeking to back away from a key part of the deal.

Iron John

The Australian reported that according to former Prime Minister **John Howard** top-level strategic, business and energy leaders from around the world are amazed that Australia would be 'so very foolish' as to damage its healthy economy and its attraction as an investment destination with a new mining tax. Freshly returned from an extended international tour where he mixed with elites of several countries, Howard said the word doing the rounds in Singapore, Washington and Kazakhstan was not, as expressed by Treasurer **Wayne Swan**, that the investor community had no concerns about the tax.

No amalgam

The Age reported that Rio Tinto says its teetering \$US116b iron ore joint-venture with BHP Billiton has struck obstacles with Japanese and Korean regulators, a consideration that gave further credence to the view that the big miner is pulling the pin on the Pilbara merger. If Rio were to do so before the deal's December 31 expiry, it would be hit with a \$US275.5m break fee, payable to BHP.

Enrichment

Resources and Energy Minister **Martin Ferguson** says he will preside over a major expansion

of the uranium industry during this term of Parliament, dismissing any suggestion that Labor's alliance with the Greens could hamper its development, the *Financial Review* reported.

Different economy

A row has broken out over proposals to siphon hundreds of millions of dollars in GST grants away from Western Australia because it will collect higher iron ore royalties from BHP Billiton and Rio Tinto, The Australian reported. WA is standing out from the other states on the mining tax and federal health planning. It is also the only Liberal/coalition state at the moment. WA Opposition Labor leader **Eric Ripper** backs premier **Colin Barnett** for a review of how the GST is distributed. As noted on the *Insiders*, locals in WA have the right to be cynical, but the local community may see the economic benefits which will flow.

Taking over the world

The *Financial Review* reported that BHP Billiton requested a US court dismissal lawsuit filed by Potash Corp of Saskatchewan, which alleges that BHP had misrepresented material facts related to its \$39b hostile bid for the world's largest fertiliser company. The miner intends to present its case before a judge in the US District Court in Chicago. In September, Potash Corp filed a lawsuit against BHP, seeking a preliminary injunction to block BHP from moving ahead with its proposed bid. A follow-up report in the same paper said that Saskatchewan Energy and Resources Minister, **Bill Boyd**, lent support to BHP's bid, even after warning it posed significant risks to the province's tax and royalty revenues.

Hot coal

The Australian reported that rising coal prices are undermining negotiations between big industrial energy users and power stations for crucial energy supplies, putting hundreds of jobs and billions of dollars worth of investment at risk. For example, negotiations between New South Wales's largest electricity user Tomago Aluminium and the state-owned power supplier have broken down.

The ethanol pledge

Gas and alternative fuel producers are demanding Prime Minister **Julia Gillard** give them the same tax treatment as the freshly energised ethanol industry, which won \$140m worth of concessions as part of Labor's deal with the independent MPs, the *Financial Review* reported.

Buildings collapse due to mines

The Age reported that the booming mining industry is luring skilled workers away from building infrastructure, threatening a shortfall of many thousands by 2012, the Civil Contractors Federation says.

In climate change news...

India's Adani Group says its \$6.5b coal mine, rail and port project in Queensland's Galilee Basin will produce up to 60 million tonnes of coal a year at its peak and create the biggest coal mine in Australia. The company has already made the single largest investment by an Indian company in Australia and plans to invest in Australia over the long-term, The Age reported.

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AGRICULTURE. WATER

The rain

The Murray's famous Lower Lakes – on environmental death row last year – have swollen to close to 150 cm higher than the nadir of 2009, thanks mostly to summer downpours in northern Australia and September floods in Victoria. The Murray Darling Basin is having its fourth wettest year (to date) on record, the Bureau of Meteorology said. More water is still moving down the river, and reconnection to the sea could, serendipitously, coincide with the release of the draft Murray-Darling Basin plan (it happened a day or two later), which will determine the amount of water in the basin that will be taken out of farmers' hands and given to the environment, *The Age* reported.

The Australian reported that according to the Murray Darling Basin Authority's cost estimates, taxpayers face a further bill of \$3b to buy back water rights from farmers in the Murray-Darling Basin, at least \$1b beyond the funding allocated so far to

ensure stronger flows in the rivers and more water for Adelaide. Farmers are facing cuts of between 27 and 37 per cent of the amount of water they can take from the river system under draft plans announced by the Murray Darling Basin Authority. The cuts would ensure the return of an extra 3,000 to 4,000 billion litres of water to the Murray.

The basin

The Age reported Victoria will carry a heavy load under plans to return the Murray River to health, with cuts to water extraction of up to 45 per cent slated for some parts of the state's north. As farming groups were urging federal Water Minister **Tony Burke** to intervene to save rural Australia from decimation, Victorian towns along the Campaspe, Loddon, Kiewa, Broken and Ovens rivers were told irrigation sectors faced massive cuts. An editorial in *The Age* said that unless balance is restored to water use in one of Australia's most important catchments, both environment and economy will suffer. In a more detailed report, the *Financial Review* reported that the Murray-Darling Basin Authority says the big cuts in water use it is recommending will reduce farm production by \$1b and lead to just 800 job losses, while irrigators warn of a major rural backlash and the collapse of communities. But the proposals in the authority's report could cost Government an extra \$2b. The authority estimates buybacks and infrastructure upgrades that have already been announced by the federal government will recoup only around half of the water required for the plan.

There were strong turnouts in many rural communities' town halls as the draft plan was toured around the basin towns. Many residents were outraged at the authority's proposals, fearing the loss of water to the basin for environmental flows would mean a loss of livelihood.

The Australian's **Paul Kelly** put the politics of the issue well when he wrote that the Murray-Darling Basin Authority has produced a poisoned chalice for the Gillard government: a conflict of interest between the two power centres on which it formed a minority government, the Greens and regional Australia (see below).

Striking a balance

Key Independent **Tony Windsor** threatened to push for alternatives to mass water buybacks, including redirecting water into the struggling Murray from outside the basin, as the Gillard government faced a political firestorm in rural communities over plans to rescue the river system, *The Australian* reported. Windsor, whose New South Wales electorate of New England falls within the Murray-Darling Basin, said he doubted the Murray-Darling Basin plan would ever see the light of day in this term of Parliament, despite Water Minister Tony Burke saying that he believed the plan would get through if the government got the balance right. Windsor was appointed to head an inquiry into the human consequences of cutting water use in the Murray-Darling Basin.

After days of the government insisting the process should be dealt with by the Murray-Darling Basin Authority, Regional Development Minister **Simon Crean** said Windsor and his parliamentary committee on the regions would consult widely

to give people a say. The shift followed an angry protest in the New South Wales rural community of Griffith, where 5,000 farmers confronted MDBA officials holding a consultation meeting to demand politicians face up to their concerns. Water Minister Burke says most Australians expect the government to follow through with a plan to fix the Murray-Darling Basin, warning that the consequences of failing to pursue significant reforms toward allocation could be catastrophic the next time Australia faces a drought.

The Murray-Darling Basin Authority has responded to regional anger at its proposed water cuts by ordering a study of the social and economic effects on communities, *The Age* reported. **Malcolm Turnbull** says the Government has failed to invest in water saving infrastructure that would balance the needs of farmers with necessary cuts to water extraction from the river. He said that Labor had taken the easy road by focusing on buying back farmers water entitlements, while only paying lip-service to infrastructure, which he said would ensure farmers' futures with less water. As environment minister in the Howard government, Turnbull framed the legislation that created the independent Murray-Darling Basin Authority and required it to nominate cuts to water extraction so as to return water to the river's environment.

Back paddling

The Age reported that Water Minister **Tony Burke** questioned the basis of the Murray-Darling Basin Authority's proposals to revive the river system, and insisted that it fully consider the social and economic impacts of reform. Burke said he had advice from the Solicitor-General confirming that the Water Act required all three factors – economic, social and environmental – be at the fore in devising a plan for the Murray-Darling Basin. He cast doubt on whether the authority's chairman, **Mike Taylor**, and the authority had all three dimensions in mind. Taylor indicated the proposed curbs on water use by farmers could be weakened in light of the new legal advice that urged greater consideration of the social and economic needs of rural communities.

Broad view

On the opinion pages of *The Age*, Victorian Farmers Federation president **Andrew Broad** wrote that with some shrewd thinking rivers can be rescued without wiping out farmers. He writes that those who understand the dynamics of irrigation communities and irrigation systems would not have been surprised by the size of the reaction from rural communities to the release of the Murray-Darling Basin Authority's plan. The Murray-Darling Basin produces 40 per cent of Australia's food and fibre. Irrigated agriculture within the basin is responsible for \$5b of fresh produce per annum, including fruit and vegetables that are placed daily in lunch boxes, and on the dinner tables of every Victorian.

The basin authority has recommended cuts to water diversions of up to 45 per cent – but the cut for irrigators on some systems will be larger. Already the belief in a future, for many irrigation communities, has been shaken. We're not saying more water for the environment isn't needed, he writes, we're saying farmers have found ways to do more with each drop. There are also ways to achieve better environmental outcomes with less.

A long rewrite

The Murray-Darling Basin Authority chief executive **Rob Freeman** told a meeting in Mildura that there were enormous opportunities for cities to alter their consumption habits to help farmers. He promised to alter the authority's blueprint to better reflect the connection of cities such as Ballarat, Bendigo and Melbourne to the Murray. Facing Victorian and New South Wales irrigators for the first time since new legal advice turned the reform process on its head, Freeman said it was now likely to take longer to complete the final basin plan, now more likely to emerge in 2012 than late 2011, *The Age* reported.

The headwaters

Discharge water from coal seam gas wells throughout southern Queensland will be released into the head of the Murray Darling River system, fuelling concerns about contamination following the discovery of more carcinogenic chemicals from exploration wells in the Surat Basin. The discovery of BTEX chemicals in eight wells around Miles, about 700 km west of Brisbane, adds pressure on Environment Minister **Tony Burke** who will determine the fate of the controversial burgeoning industry in Queensland, *The Australian* reported.

Across the Pacific, and north

The Age reported that Canadian agribusiness company Agrium is another step closer to acquiring wheat exporter AWB after receiving Foreign Investment Review Board approval for its \$1.2b takeover bid. The board had been widely expected to approve the deal. AWB has recommended shareholders approve Agrium's \$1.50-a-share all cash offer. The deal is still subject to New Zealand regulatory approval and a shareholder vote, expected to be completed in November.

Farms hitting the wall

Official figures show that Australia has lost more than 18,000 of its farms in just three years, the *Weekly Times* reported. The irrigation sector has done particularly badly, with land under irrigation declining by almost a third and water used dropping by even more. Lamb and sheep producers have seen their livestock numbers shrink by 20 per cent between 2006 and last year. The figures were released by the Australian Bureau of Statistics as demographer **Bernard Salt** warned that Australian farming was a steam train running straight at a brick wall.

Over there

As farmers in the eastern states prepare for the rare combination of a bumper harvest and exceptional grain prices, most farmers in Western Australia have little to look forward to. The state's hoped-for 10 million to 15 million tonnes of wheat, barley and canola winter harvest is likely to be as low as 5 million tonnes because of scarce rainfall, the *Financial Review* reported.

One hundred drops of solitude

On the opinion pages of *The Australian*, **Michael Jeffrey**, a former governor-general of Australia, and **Julian Cribb**, a science writer and author of *The Coming Famine*, wrote that we must look to recycling and best farming practice to secure our future. In the article they note that on average, of every 100 drops of rain that fall: 30 drops are absorbed and transpired by vegetation and crops;

six drops are added to ground water; 12 enter our creeks and rivers (of which two are lost and four float to sea); two drops enter our dams and storages, of which: 1.6 drops grow food; one-third of a drop is used by industry; one-tenth of a drop is used in our homes, parks, ovals and other uses; and a massive 50 drops out of 100 wastefully evaporate. They also note that for Australia to be cutting back its food production at a time of looming global food insecurity makes no sense.

Worth a look

The **Productivity Commission** held a number of public hearings to discuss the draft report of its inquiry into rural research and development corporations, www.pc.gov.au.

JUSTICE

Hmmm

Secret files stolen from ASIO and police and anticorruption agencies were discovered during a drug raid in Melbourne, raising fears of a major breach of national security and crime intelligence. Police are investigating whether the former head of intelligence and phone tapping at Victoria's Office of Police Integrity stole documents. The files were discovered on September 10 by detectives searching a house in Melbourne's north as part of a drug investigation. They found boxes containing sensitive national security and law enforcement documents, including files from ASIO, the OPI and West Australian police, *The Age* reported. In the fallout from the security breach, Victorian Office of Police Integrity director **Michael Strong** conceded the discovery of the agency files, as well as the ASIO and West Australian police documents, had damaged the credibility of his organisation. *The Australian* reported that at the time a former senior OPI employee is suspected of taking home secret OPI documents. At the time the watchdog was involved in a string of highly sensitive probes, including alleged police involvement in gangland murders and an aggressive eavesdropping operation against the topechelons of Victoria Police.

Breach of Securacy

The Reserve Bank of Australia's currency firm, **Securancy**, produced millions of partly made foreign banknotes without authorisation from overseas central banks, in a practice described by former staffers as effective counterfeiting, *The Age* reported. The Australian Federal Police have been told by three former staff members that the RBA company produced banknote substrate – the unique base material used to make banknotes – belonging to at least three countries, including Nigeria and Vietnam, without formal orders from their central banks.

Nearby, federal police and overseas agencies launched coordinated raids to uncover evidence of corruption and bribery involving Securancy. The raids in Melbourne and Britain targeted homes and offices of people with alleged links to the payment of millions of dollars in bribes by Securancy to foreign officials, including politicians and bankers, between the late 90s and 2009. An AFP inquiry, code-named Operation Rune, is investigating allegations that bribes were paid by agents or middlemen working for Securancy in order to win contracts to produce polymer notes for several countries.

The Reserve Bank demoted its chief polymer banknote salesman, Securancy's director of global sales, **Hugh Brown**, and banned the practice of paying overseas middlemen to win contracts, in response to the growing bribery scandal involving its subsidiary.

Difficult times

A group of exiled Aborigines from central Australia were moved into a police academy after more than a week living in cramped conditions in an Adelaide Community Centre. A spokesman for the South Australian Families Minister, **Jennifer Rankine**, said two disused buildings at the state police academy at Fort Largs, a coastal suburb of Adelaide, would house 100 members of the Yuendumu group for 3 to 6 weeks. The Yuendumu families had been living at an Anglicare centre since they arrived in Adelaide from Alice Springs in a convoy of two buses and 12 cars. The group fled their remote town, 300 kilometres northwest of Alice Springs, after two days of rioting by a rival family, who demanded tribal justice after the fatal stabbing of a young man, *The Australian* reported.

A long time coming

The Age reported that three decades after **Azaria Chamberlain** vanished from her parents' campsite at Uluru, a new coronial inquest will seek to answer the question: did a dingo take the baby? Northern Territory authorities are moving to establish the inquest early next year, the fourth in a saga stretching back to the night of August 17, 1980. Azaria's father, **Michael Chamberlain**, said his lawyers are preparing a case he is confident will lead to a coroner finding that a dingo took his baby.

MR SPEAKER

The Speaker's role

The Age gave us a little rundown of the Speaker's responsibilities and the perks of the job. As part of his job, the Speaker is responsible for issuing the writs for by-elections; entertaining VIPs, delegations and visitors from overseas; is a member of parliamentary committees that overlook the operation of Parliament; is a spokesperson for the House, representing it during ceremonies and meetings with other bodies; shares with the President of the Senate overall responsibility for Parliamentary administration. During sitting time, the speaker reads the Lord's prayer at the beginning of each session; enforces the standing orders, responds to members points of order and gives rulings on procedure; maintains order during debates with power to warn members and to throw them out of the chamber for up to 24 hours; administers the oaths to new members during the course of a Parliament, or any member not present at the opening of Parliament. For all this, the Speaker enjoys an annual salary of \$238,000 (before electorate allowance – \$100,000 more than a backbencher and equivalent to a cabinet minister). He also has three extra staff as well as electorate employees, an entertainment allowance and grand offices, private dining room and a speaker's garden courtyard.

Slipper up

After all the to-ing and fr-oing, **Harry Jenkins** was returned as Speaker. However, Labor ambushed the Opposition by snaring Queensland Liberal

MP **Peter Slipper** to be its candidate for Deputy Speaker – providing a foretaste of the uncertainty of a hung Parliament. Opposition Leader **Tony Abbott** was taken by surprise by the nomination of Slipper, who went on to beat the Coalition candidate, the National's **Bruce Scott**, 78-71 in a secret vote of MPs. One Coalition MP broke ranks over the move and voted for Slipper, along with Labor MPs and the independents. Senior opposition MPs were furious at what they saw as Slipper's betrayal, *The Age* reported. Scott got the second deputy's job.

A tale of two Wyatts

The first Aboriginal member of the House of Representatives was sworn in when Parliament resumed, along with the first Muslim member and Australia's youngest MP. West Australian **Ken Wyatt**, the Liberal member for Hasluck, wore a kangaroo-skin cloak, given to him by his tribal elders, for the first day of Parliament. New South Wales Labor MP **Ed Husic** swore his oath of office on the Koran alongside his Jewish colleague **Michael Danby**. And Queensland rookie Wyatt Roy, 20, posed for pictures outside Parliament House with his mum before taking his seat on the Liberal backbenches, the *Herald Sun* reported. The Australian reported that **Ken Wyatt** used his maiden speech to thank **Kevin Rudd** for apologising to the stolen generations.

The first sitting day...

The Australian reported that party political bickering dominated the first sitting of the nation's 43rd parliament, with Labor and the Coalition accusing each other of welshing on an agreement for Parliamentary reform. As the major parties positioned themselves for a debate on a rewrite of parliamentary standing orders, the Opposition complained the proposed new standing orders did not reflect an all-party agreement on reforms sealed in negotiations with the independents before a minority government was formed.

One down...

The Age reported that the unpredictable world of the new Parliament was on show on its first full business day, when the government lost the initial division. In the vote, **Peter Slipper**, the Liberal Deputy Speaker whom Labor had embraced, supported the Opposition. The 72-73 defeat – on an issue of procedure in the Parliamentary reform package – showed the government will often face a battle to get its way. The *Herald Sun* reported that independents **Rob Oakeshott** and **Tony Windsor**, who put Labour in power, stayed true to their word to decide every vote on its merits by siding with the Coalition for the ballot about the Parliamentary rules. Ironically, **Bob Catter** voted with Labor.

100 long days

When **Joe Hockey** noted in Parliament that it had been 100 days since **Julia Gillard** seized the Labor leadership, it seemed reasonable to ask the question: only 100 days? The 100 days of the Gillard leadership have covered a period of Australian political history like no other. Australia's first female prime minister's first 100 days have been so crammed with political drama and surprises that it seems to have been much longer, the *Financial Review* reported. Strictly speaking, of course, Gillard's term does not fit with the original '100 days of the new administration' concept, an idea pioneered by President **Franklin D. Roosevelt** and applied to newly elected US presidents.

Oakeshott in the foot

Rob Oakeshott complicated the formation of the new Parliament when he declared that he wanted to be Speaker. *The Australian* reported that his hopes for the job forced the government to seek legal advice about whether the new arrangement could work. After the Speaker complications had died down, the *Herald Sun* reported that **Oakeshott** lobbied Gillard to give one of his biggest political donors preferential access to lucrative defence contracts during talks on who would become Prime Minister. Oakeshott's links with the local business in his electorate, contractor Birdon Marine, has been referred to the New South Wales corruption agency for investigation. Oakeshott admitted he raised Birdon's name during high-level talks with Gillard and opposition leader **Tony Abbott**. He did not reveal the Port Macquarie based contractor had donated thousands of dollars to his political campaigns.

Politics and promises

The Age reported that following **Rob Oakeshott's** withdrawal from his bid to be Speaker because of constitutional, practical and political concerns, **Tony Abbott** failed to respond to a proposal for the Coalition to provide the Speaker, despite Oakeshott claiming the opposition leader had promised to respond within 24 hours.

Parsing the constitution for pairings

Julia Gillard met **Tony Abbott** to resolve the deadlock over the speakership, providing legal advice indicating that pairing is constitutional within certain conditions. The Prime Minister appeared to bring the impasse closer to a resolution, handing the Opposition Leader a legal opinion from Solicitor-General **Stephen Gageler** arguing that pairing the Speaker during votes was constitutional provided the arrangement was voluntary, *The Age* reported.

Touche

A week before Parliament was due to resume sitting, *The Australian* reported that **Julia Gillard** and **Tony Abbott** accused each other of lying and breaking their word, as preparations for the new parliament descended into bitter recriminations and procedural doubt amid Labor being forced to govern with a one seat majority.

Splitting pairs

The Australian reported that **Tony Abbott** will inhibit **Julia Gillard's** ability to travel during Parliamentary sittings by insisting she attend House of Representatives votes unless she can convince him her absence is in the national interest. The Opposition Leader confirmed he would impose tough pairing conditions on the Prime Minister.

Empty rancour

Prime Minister **Julia Gillard** has pushed for a new era of civility and restraint in Parliament, urging the Coalition to put aside the empty rancour of partisanship and work together with Labor for the betterment of the people, *The Age* reported. **Tony Abbott** said that although debates over policy should be as civil as possible, it is nevertheless the case, rightly, that our system is an adversarial system. *The Australian* reported that Abbott has declared he will lead a 'party of ideas' in the new Parliament and warned Gillard he would stick to his guns on the mining tax, climate change and broadband policy.

What was the question?

In the *Financial Review*, **Geoff Kitney** wrote that the new rules have changed the federal parliamentary process, and with them come likely longer-term benefits for **Julia Gillard**. He writes these revised rules have had the most dramatic impact on Question Time in the House of Representatives. Previously, open-ended and vague rules gave the government carte blanche to use Question Time as a verbal battering ram against the opposition. To counter, the opposition used questions, not to get information but to try to grab the media's attention and a spot in the nightly TV news reports. The result was ugly. Question Time filled the house with verbal sludge punctuated by invective. Often it took two hours for 20 questions and answers – without shedding any light on the issues raised. The Parliament slid into ever greater disrepute. The new rules, insisted on by the swelling ranks of independents – arguably elected because of growing voter disillusionment with the major parties – have put time-limited content restrictions on both opposition questions and government answers. Questions can take no longer than 45 seconds to ask and cannot contain argument. Answers must be no longer than four minutes and be relevant to the question. And the Speaker has been given the authority to impose these rules by the formal declaration of the post of Speaker as independent.

Too bad

The Age reported that a majority of voters say they want a new election so that the nation can get a government with a working majority. An Essential Research poll also showed Labor's portrayal of Opposition Leader **Tony Abbott** as a wrecker was having only a limited effect, with 54 per cent of voters saying Abbott was performing the appropriate role as the leader of the opposition. Only 46 per cent of respondents supported the alternative proposition, that he was unfairly putting roadblocks in the way of Prime Minister **Julia Gillard's** programs. The paper also reported that a fear of Work Choices returning played a surprisingly big role in how people voted, with about a third of respondents saying it was either an extremely or very important factor in the decision.

GOVERNANCE

Get a wriggle on

Business groups urged the Gillard government's new front bench to expedite key infrastructure and transport projects and quickly clarify its policies on tax and climate change. They also want greater consultation on new legislation, while the Australian Institute of Company Directors has called for secondments from business to government departments to boost knowledge, the *Financial Review* reported. Australian Bankers Association chief executive **Stephen Munchenberg** said the ABA was pleased that Wayne Swan had remained Treasurer, **Craig Emerson** was now Trade Minister and **Bill Shorten** Assistant Treasurer.

Twenty days per priority

The Business Council of Australia says the Gillard government should act on five priority areas in its first 100 days in office, including preparing a national infrastructure plan, releasing the Henry tax review modelling and committing to an energy security policy. They also want the goods and services tax and the mineral resource rent tax put on the agenda at the upcoming tax summit, the *Financial Review* reported.

Part-term up-date

Paul Kelly, *The Australian's* editor-at-large says that the Gillard government, deft at tactics, is losing its policy authority and facing a relentless haemorrhage of political support with repeated exposures of its inability to shape events or outcomes.

Euthanasia: the debate

The terminally ill could be granted the right to die after Prime Minister **Julia Gillard** backed a conscience vote on restoring the authority of the territories to legalise euthanasia. Fourteen years after the Northern Territory became the first place in the world to legalise euthanasia – only to be overridden nine months later by the Howard government – Greens leader **Bob Brown** pledged his first priority would be a bill to restore the territory's power to pass euthanasia laws, *The Age* reported. A week or two later Gillard admitted she is conflicted on the issue of euthanasia, saying she finds it almost impossible to conceptualise how there could be appropriate safeguards. *The Australian* reported that one in three GPs in major cities believe people older than 70 who feel 'tired of life' should have the right to professional help in ending it, according to a poll conducted for **Philip Nitchke's** Exit International.

Who's governing?

The legislative agenda in the first week of Parliament is set to be dominated by independents **Andrew Wilkie** and **Nick Xenophon**, who plan to introduce laws to protect journalists' confidential sources. Their scheme, which is closely related to federal Coalition policy, could force Labor to change its policy on shield laws or risk handing the Coalition and the independents a legislative victory, *The Australian* reported. The paper was on the money, reporting that the Government decided to support the proposal. Nevertheless, the Opposition tried to beat the Government and independents to the post by introducing its own bill to protect journalists' confidential sources. Wilkie steered the 'shield' law through the House of Representatives, notching up the first successful vote on a private member's bill initiated in the house since 1999. Meanwhile, Wilkie said that the government understands they only have his support for supply and confidence. Every piece of legislation will have to be discussed with him. His strategy, he claims, is to work as cooperatively as possible.

Good excuse

The Age reported that **Julia Gillard** has declared key election promises, including on climate change, will not be kept to the letter by her minority government – and people are going to have to get used to it. The Prime Minister said the new paradigm politics would mean the policies emerging from negotiations with non-government players would be slightly different from what the Labor Party's first view was. Meanwhile, tensions emerged within Labor's alliance with the Greens after Gillard ruled out a conscience vote on gay marriage.

He said, she said

The Australian reported that according to Labor insider **Graham Richardson**, **Julia Gillard** has

been forced to keep two Cabinet ministers she wanted to dump because they threatened to force by-elections and risk losing her government. The former Labor official, powerbroker, senator and cabinet minister says the Prime Minister has already had to retreat because a minority government could fall if Labor were to lose a seat in a by-election. Gillard denied she had been threatened by the ministers with their resignation.

Pledge on green wedge

The Australian reported that the Wild Rivers Act, introduced by the Queensland government in 2005 and designed to protect 10 Cape York river systems, promises to be a hot topic in the new Parliament, with **Tony Abbott** pledging to introduce a private member's bill in an attempt to overturn the law.

Garret in clear here

The Age reported that the Auditor-General has criticised the handling of the government's axed green loans scheme but exonerated former environment minister **Peter Garrett**, who received incomplete, inaccurate and untimely briefings by his department. The Auditor-General's report has turned the heat on senior public servants formerly from the environment department, later moved to the department of climate change, for their role in designing and executing the \$280m program. The program offered free household assessments and zero interest loans up to \$10,000 to help reduce energy and water use. *The Financial Review* reported that more than 4,000 green loans assessors were left without work as a result of the poor administration of the program.

Victoria rules

On the opinion pages of the *Herald Sun*, **Phillip Hudson** wrote that three of our five most senior federal politicians happen to be Victorians. Under **Kevin Rudd** the Pineapple Mafia was in charge. Now the power has shifted south of the Murray River.

Three tears of Government drip

A wholesale review of the way money is collected and distributed among the three tiers of government is one of several reforms being considered by a Senate select committee inquiry into the Australian federation, the *Financial Review* reported.

Nearby

Borrowing by state governments is forecast to hit more than \$243b, reducing available credit for the private sector as the economy recovers and putting pressure on **Julia Gillard** to rein in the federal budget and reduce debt, *The Australian* reported.

A power struggle within a power struggle

An editorial in *The Australian* said Labor's current dilemma is to define the direction of the party so that it can best use its deep talent pool. Meanwhile, the *Financial Review* reported that Labor's minority left faction has lost key positions in the federal ministerial reshuffle and is facing its own internal power struggle.

Green power

The *Financial Review* reported that leadership tensions emerged within the

Australian Greens after the party's education spokeswoman, **Sarah Hanson-Young**, made a failed bid for the position of deputy leader.

Penultimate step, last step

A Liberal senator wants to change federal anti-discrimination laws to ban the burqa in a move that could take advantage of private members' bills receiving greater priority. South Australian right-winger **Corey Bernhardt** has sought advice for crafting legislation to outlaw the burqa. His renewed pitch comes as the French Senate voted 246-1 to ban the burqa in public, the penultimate step to a ban being enacted.

Husic's hand on the Koran

Sydney MP **Ed Husic**, the son of Yugoslavian migrants, is the first Muslim elected to Federal Parliament and became the first MP sworn in by the Chief Justice of the High Court with his hand on a copy of the Koran, *The Australian* reported. He made his maiden speech to parliament in late October.

In the money

The Age reported that 10 political parties and 17 independent candidates are sharing more than \$52m in public funding based on their vote in the August 21 poll. The taxpayer pays \$2.31 for each first-preference vote for candidates who win at least 4 per cent of the formal primary vote. Labor and Liberal parties were the greatest beneficiaries, receiving close to \$21m each.

Gray area

The Australian reported that new Special Minister of State **Gary Gray** said that an overhaul of political donation laws is needed, including tougher disclosure laws and campaign expenditure caps as low as \$100,000 per electorate.

Commission producing

Issue 48 but the Productivity Commission's quarterly newsletter, *pc update*, contained articles on the Commission's final report into gambling; measuring the performance of Australia's hospital system; assessing the benefits of bilateral and regional trade agreements; the latest estimates on government assistance to industry; and reducing the economy wide costs of anti-dumping and countervailing.

In the other territory

The Country Liberals have retained the Alice Springs-based seat of Araluen, leaving the Northern Territory government hanging by a thread. Country Liberal candidate **Robyn Lambley**, a former Alice Springs deputy mayor, released a statement saying voters in central Australia had sent a clear message to the minority Labor government, *The Australian* reported.

Land councils

Australia's largest and most powerful Aboriginal organisation is facing a revolt from indigenous groups across more than 100,000 square kilometres of the Northern Territory. The groups want to break away from the Northern Land Council, an independent statutory authority that has represented them since 1973, and form their own land council in a shakeup of Aboriginal administration in the territory, *The Age* reported.



Empowerment through Employment

FEATURE

WISE Employment expands its business into the UK

Welcoming the first customers to their new office in Sheffield, UK in October 2009 marked the beginning of an exciting journey for Australian charity WISE Employment. This journey began in 2008 when WISE Employment's CEO, John Bateup, and Chairman, Alistair Urquhart of Affairs of State visited the United Kingdom. Working and collaborating with a number of organisations including UK Trade and Investment, Austrade, the British Consulate, the Victorian government's London office and the Australian British Chamber of Commerce, they saw an opportunity to take WISE Employment's skills and experience to a new market.

"Working in Australia since 1992 providing disability employment services, and then through the inception of the Job Network and now into Job Services Australia, WISE Employment has developed a lot of experience working with a range of customers, employers and community groups, with 30 locations across Australia," explains WISE Employment CEO, John Bateup.

"We welcomed the opportunity to take that experience to the UK market and formed the UK charity, WISE Ability."

Under the leadership of Managing Director, Kay Sutton, WISE Ability collaborates and partners with like-minded organisations offering a better, more tailored service to customers, employers and stakeholders.

"We work with a range of community groups and government agencies, as well as local industry, commerce and specialist training groups," says Kay Sutton.

"Together, we work to achieve flexible and sustainable employment solutions and service delivery. Our main purpose is to serve and enrich the lives of disadvantaged members of the community."

WISE Ability currently supports unemployed people on the Department of Work and Pensions' FND programme, as a sub-contractor to Remploy and the Work Choice programme, as a sub-contractor to Shaw Trust. With offices in Birmingham, Sheffield and Rotherham, WISE Ability is set to expand its services by supporting more disadvantaged members of the community.

In 2009 WISE Ability created a special purpose vehicle with Careers Development Group which is now delivering Work Choice as Prime Contractor in Hampshire and the Isle of Wight. In 2010, the Ministry of Justice shortlisted WISE Ability, inviting them to provide a full and final offer to deliver Phase 2 NOMS ESF Offender Management Provision in South Yorkshire commencing January 2011.

Managing Director, Kay Sutton believes people gain personal power through being employed. With increased self-esteem they can find the ability to change their lives through greater access to money and social networks," she said.

"In Australia and the UK, we believe people feel more connected to the community through their contribution and the chance to interact with others in the workplace."

For more information, please contact WISE Ability on www.wiseability.co.uk or 0121 635 5028 or WISE Employment on www.wiseemployment.com.au

The easy path

The Australian National Audit Office review of Centrelink fraud investigations has reported that auditors found 87 per cent of the cases they examined did not comply with official investigation rules. The auditors also found that Centrelink investigations were part of a system that favoured a focus on easy targets rather than complex, serious fraud investigations. The audit report said that many cases involving debts to Centrelink of more than \$30,000 had not been immediately investigated as required by Centrelink rules and that higher debts with evidence of fraudulent behaviour were not referred to the Commonwealth Director of Public Prosecutions, *The Age* reported.

Tax ad spending

The Government spent more than \$20m advertising its mining tax, health reform and national broadband network in the weeks before the election was called. Government advertising doubled to \$76.2m in the six months to July 2010, coinciding with a change in procedures vetting advertising, *The Age* reported.

The first man

Tim Mathieson, the partner of Prime Minister **Julia Gillard**, has quit his job with ALP benefactor and prominent Melbourne property developer Albert Dadon, *The Age* reported. The *Herald Sun* reported that Gillard moved into The Lodge in late September, after waiting for some renovations to be completed. *The Age* reported that Mathieson hosted his first official soiree at The Lodge on October 25. Invitations were sent to the partners of senators and members for a Pink Ribbon morning tea at the Prime Minister's official Canberra residence – a traditional social event to mark the opening of the Parliament.

An insurance salesman...

The Australian reported that **Alister Jordan**, **Kevin Rudd's** chief of staff when Rudd was Prime Minister, has settled into his new job as a senior manager of strategic projects with Wesfarmers Insurance. Jordan will not be involved in lobbying the Gillard government as part of his new job.

WISE Ability, an organisation that's here to make a difference



WISE Ability UK is committed to providing quality employment services to disadvantaged members of the community.

WISE Ability was founded by WISE Employment Australia in 2008. Operating over 30 international sites and three social enterprises, we reinvest our surplus funds into innovative projects and programs that benefit the most marginalised and under supported members of our community.

For more information visit www.wiseability.co.uk



Empowerment through Employment

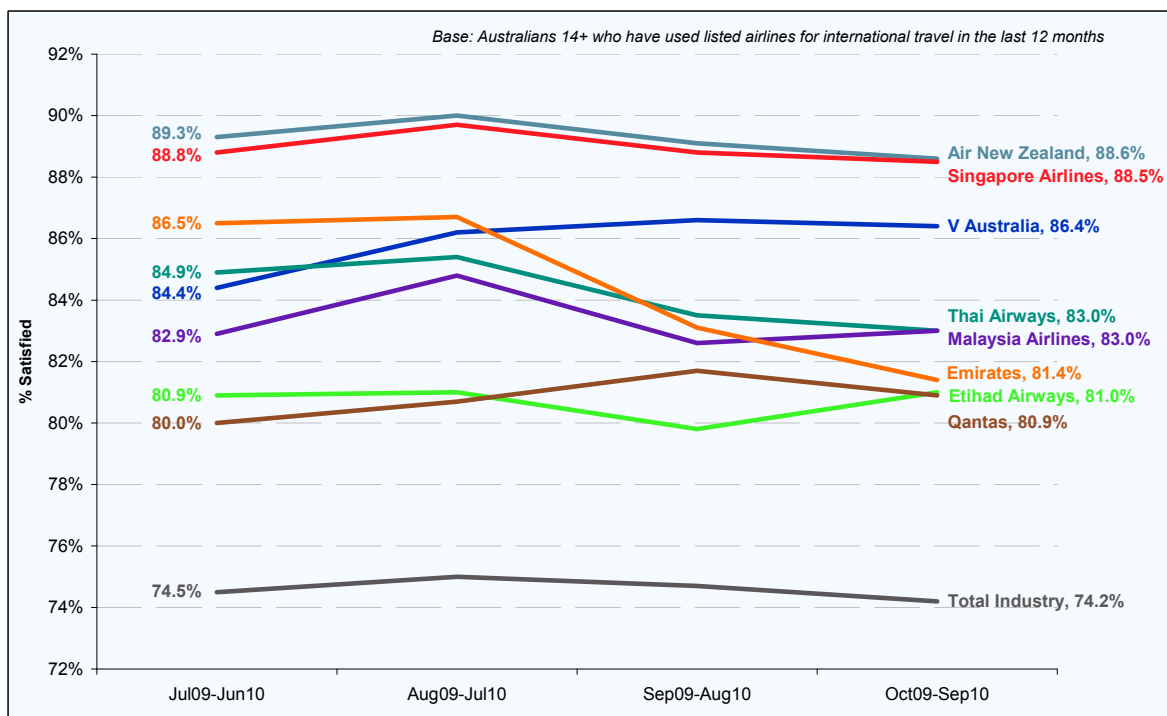
Article No. 1207
Available on Website: www.roymorgan.com
On November 9, 2010
[Roy Morgan Online Store](#)
[Roy Morgan Airline Satisfaction Report](#)

Air New Zealand and Singapore Airlines continue to top customer satisfaction

Customers of international airlines Air New Zealand (88.6%) and Singapore Airlines (88.5%) continue to be the most satisfied. V Australia has increased its rating from 84.4% in the 12 months to June 2010 to 86.4% in the 12 months to September 2010 to place it in clear third position.

Thai Airways and Malaysia Airlines both have an 83.0% satisfaction rating. Emirates has experienced a drop in customer satisfaction since the 12 months to June 2010, falling from 86.5% to 81.4% in the 12 months to September 2010, though it is still above the industry average of 74.2%. Qantas ranks eighth in terms of customer satisfaction for international airlines, with a rating of 80.9% in the 12 months to September 2010.

Satisfaction with International Airlines used in last 12 months



Source: Roy Morgan Single Source, October 2009 – September 2010. Total using international airline in last 12 months n=3,559. N.B. ‘Total Industry’ average also includes other international airlines not shown. “% satisfied” is the proportion of all customers who are “Very” or “Fairly” satisfied with that Airline (on a five point scale).

Jane Ianniello, Roy Morgan Research International Director of Tourism, Travel & Leisure, says:

“Although Qantas has the largest market share of the international airlines it ranks eighth in terms of customer satisfaction behind its rivals Air New Zealand and Singapore Airlines. The satisfaction rating for Qantas is nevertheless higher than the average for International airlines, which is pulled down by the low ratings of the low cost carriers such as Tiger Airways (38.4%), AirAsiaX (59.8%), and Jetstar (61.6%).”

For more information, or to purchase the complete Airline Satisfaction report visit the Roy Morgan Online Store: www.roymorganonlinestore.com

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There are more than 2,000 Reports and Target Profiles on the Roy Morgan Online Store available for immediate download. Here is a short selection of documents ranging in price from \$950 to \$65,000.

State of the Nation (Report 3) - Spotlight on Automotive Greenhouse Gas Emissions in Australia

This report is the third in the series of our Roy Morgan State of the Nation reports and examines the current state of the automotive industry in Australia and the impact Australian drivers have on Automotive Carbon Emissions.

Supermarket Satisfaction

This Report provides a uniquely independent and reliable measure of customer satisfaction for the major Supermarket Chains in Australia. Collected continuously from an annual sample of around 16,000 Main Grocery Buyers, this report is produced monthly and contains 5 year rolling trends.

Time Spent with Media - Trend

These tables show time spent with different types of media across different groups in the population, including by States, age, sex, socio-economic status, heavy, medium, light and no internet usage.

Banking & Finance Industry Currency Report

This report provides an independent and detailed measure of the Australian Financial Services market. It not only monitors and tracks, over the last four years, the financial performance of major financial institutions at national and state levels but also provides non-financial information which enables a holistic understanding of each person's financial needs and behaviour.

All finance reports are based on data collected continuously from an annual sample of over 50,000 Australians aged 14+.

Roy Morgan Research is the industry standard in Australia for data relating to consumers' financial behaviour and value. All major financial institutions in Australia subscribe to Roy Morgan Research's data and it is or has been used extensively in government agencies and inquiries, by financial analysts, in company presentations and by the financial press.

Superannuation and Wealth Management in Australia

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State of the Nation (6); After the 2010 Federal Election

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YouTube Website Visitor Profile

Seek Website Visitor Profile

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A Fairer Deal Profile

Real Conservatism Profile

Conventional Family Life Profile

Traditional Family Life Profile

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Young Optimism Profile

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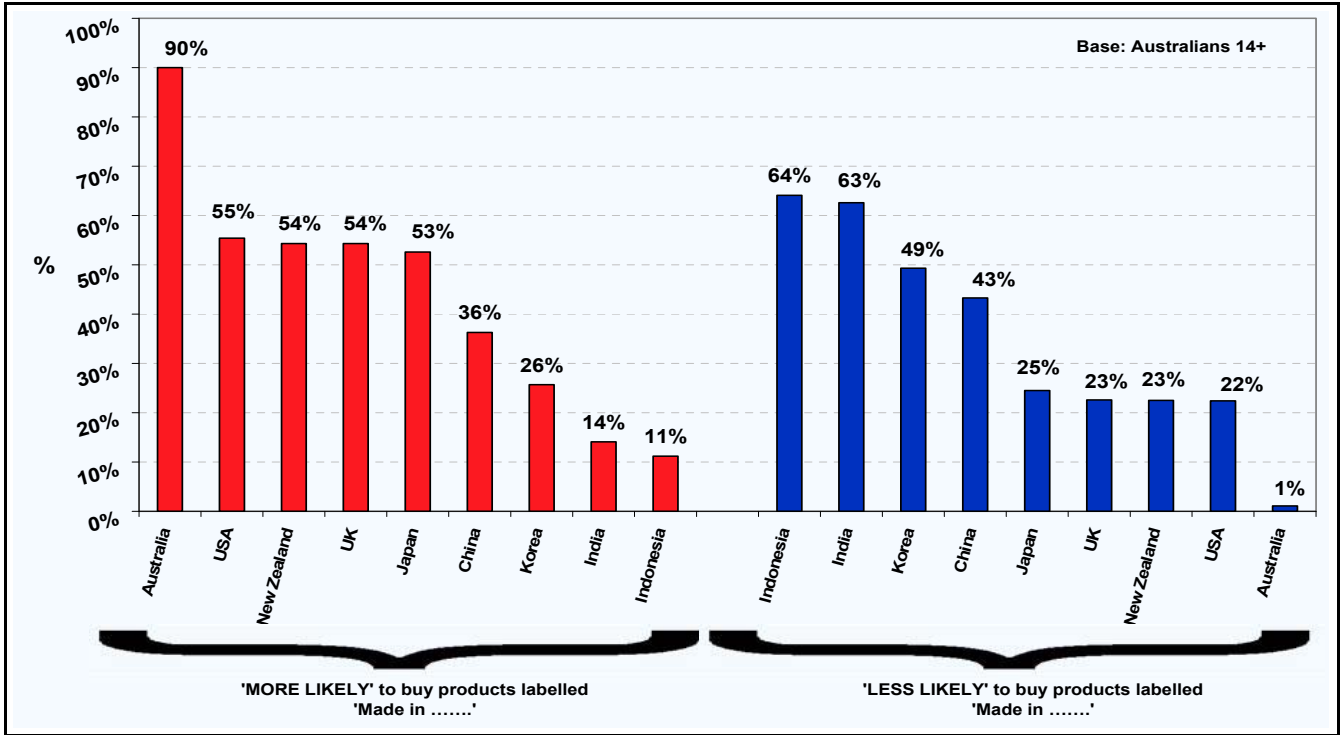
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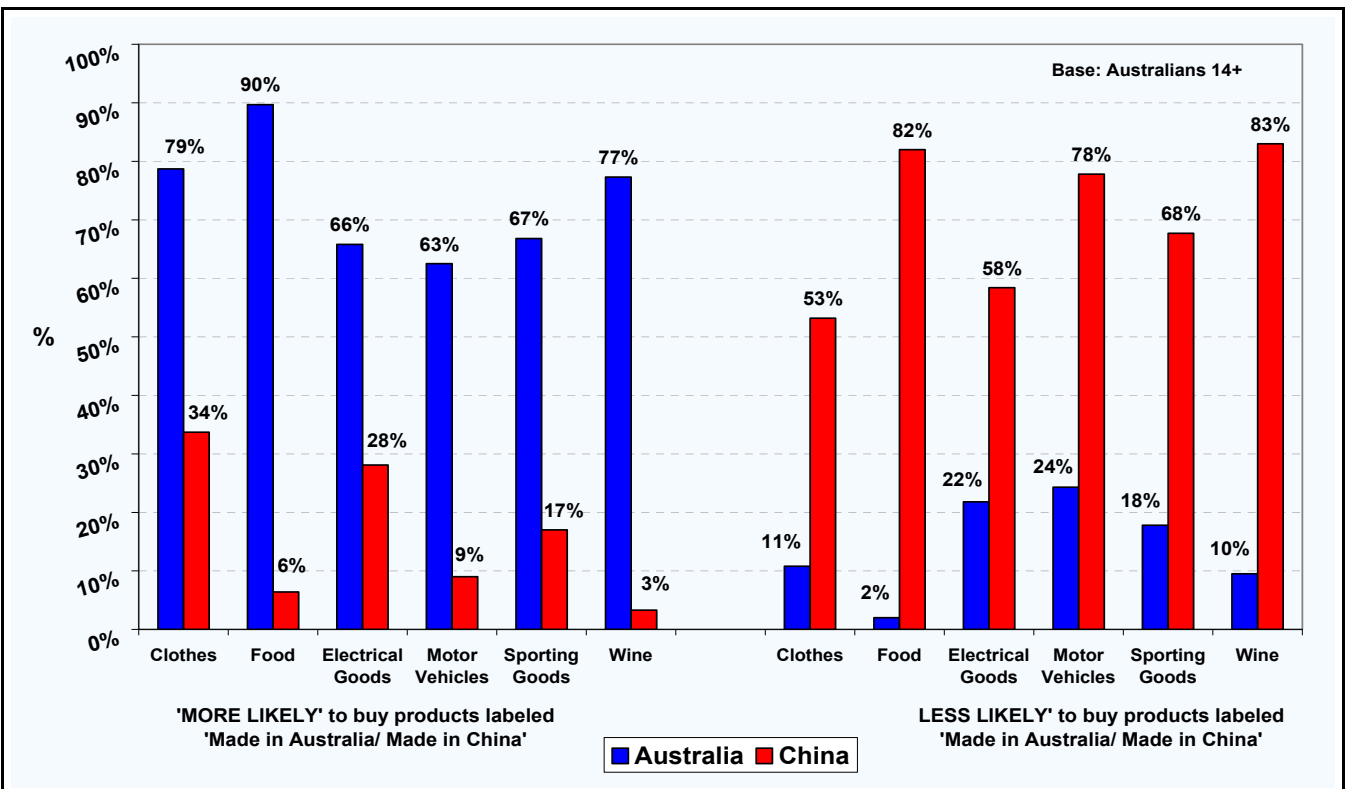
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INDUSTRIAL RELATIONS. EMPLOYMENT

Another promise put to the test

The Gillard government's 'no change' promise on workplace relations faces its first test as employers demand guarantees over the future of the construction industry regulator, and unions push to scrap tax breaks for thousands of independent contractors. Workplace Relations Minister **Chris Evans** is being urged to appoint a successor to Australian Building and Construction Commissioner **John Lloyd**, whose five-year term expired at the end of September. See Leigh Johns just below. The re-election of the Gillard government has left independent contractors worried that union-backed changes to tax laws could increase tax bills and paperwork for up to 2 million and force many to become employees, the Financial Review reported. *The Australian* reported that Lloyd warned that Labor's proposed watering down of his powers risked increasing unlawful conduct that could lead to extortion and corruption in the construction sector. On the opinion pages of the same paper, Lloyd himself wrote that only a watchdog with bite can deal with thugs. The Building and Construction Commission brought stability to a once lawless industry. I have been astonished at the contemptuous disregard of the law by unions, he wrote.

The Financial Review reported that the new head of the ABCC has defended its controversial coercive investigatory powers, while personally pledging to preside over all compulsory examinations of witnesses in future. Australian Building and Construction Commissioner **Leigh Johns** has also committed to publishing the ABCC's internal litigation policies and hosting an industry roundtable aimed at eliminating sham contracting. Johns argued that the commercial construction sector continues to require cultural reform. Johns is a former Labor candidate in a Melbourne local council and has conducted an ALP policy review. He said he retained his political affiliation but this did not affect his new role.

Nearby

The Age reported that Labor has been criticised for appointing a lawyer with roots in the Victorian wing of the party as the new head of the Australian Building and Construction Commission. **Leigh Johns**, a lawyer who has represented both unions and employers in the past. Workplace Relations

Minister **Chris Evans** said the government would push ahead with its bid to abolish the ABCC and replace it with its own inspectorate.

Threats

The Australian reported that **Julia Gillard** threatened to withhold up to \$144m in reform incentive payments from New South Wales if Premier **Kristine Keneally** persists with plans to renege on an agreement to deliver uniform national workplace safety laws. In an escalation of her dispute with Keneally and the union movement, the Prime Minister flatly rejected suggestions that union-friendly provisions in New South Wales occupational health and safety laws deliver higher standards to the state's workers than those applying elsewhere. Business organisations have taken out newspaper advertisements, saying the business community is appalled by Keneally's plan to renege on a deal to implement uniform national laws on occupational health and safety. *The Financial Review* reported that the Council of Australian Governments Reform Council chairman **Paul McClintock** warned that a series of the promised national reforms across 27 regulatory hotspots could fail to get off the ground because of the dispute.

COAG overload

The Australian has the federal and state treasuries considering options to overhaul some of the deals/agreements that former prime minister Rudd struck with the premiers to improve healthcare, education, business regulation and infrastructure, to ensure the reforms are actually delivered. Some critics say the reform agenda is overloaded.

Shifting relationship

The Age reported that the new ACTU president, **Ged Kearney**, has an ambitious agenda, with plans to improve unions' image while pushing for change on social issues. She says she wants greater emphasis on activism and campaigns in the union movement, and to shift its relationship with Labor. In a first National Press Club address, Kearney said the Labor Party has shifted ground and confused and even alienated parts of its base with its refugee and climate change policies. She said the union body will seek support from any political party in the era of minority government, where so much public policy is contestable.

Heating up again

The Australian reported that **Tony Abbott** is

facing a backbench push to abandon his promise not to touch Labor's industrial relations regime, as several MPs agitate for a policy to exempt small business from unfair dismissal laws. Senior MPs and backbenchers said the Opposition's current workplace relations policy is unsustainable and must be changed to give small business help. Four MPs – including recently dumped frontbencher **Steve Ciobo** – said Labor's work laws were unacceptable and Coalition policy should not mirror them.

The Age reported that three senior members of **Tony Abbott's** shadow cabinet – workplace spokesman **Eric Abetz**, shadow treasurer **Joe Hockey** and Deputy Opposition Leader **Julie Bishop** – left the way open for possible changes to Coalition IR policies. But they insisted that the Coalition would not re-embrace the Howard government's WorkChoices blueprint that helped cost it the 2007 election.

Devils in details

Prime Minister **Julia Gillard** has rejected employer complaints that Labor's overhaul of the award system has made industrial relations rules too complex. She also suggested there would be no further changes to the award system to allow the Workplace Ombudsman to offer binding advice to employers, saying this would go against the shift from arbitration to enterprise bargaining under Labor's Fair Work system. Workplace Ombudsman **Nick Wilson** said that large numbers of employers had contacted his office with concerns about annual awards. He said 'It's possible this may be too difficult for some employers and that's where we have to provide a lot of assistance'. Some employers wanted binding advice from the Ombudsman's office instead of going to the industrial umpire, Fair Work Australia, he said.

Sphere of influence

The Financial Review reported that the Greens have detailed a plan to use their influence in Federal Parliament to push for changes to Labor's Fair Work laws, including allowing industrial action for social and environmental reasons. The party's approach will be spearheaded by its new spokesman on workplace subjects, former industrial lawyer and lower house MP **Adam Bandt**. Bandt succeeds Greens Senator **Rachel Sierwert** in the role.

First fall

The Age reported that for the first time since the peak of the global financial crisis, the number of people getting welfare payments for more than a

year has fallen. It is the first sign Australia's long-term unemployment problem may be easing.

Tales of Bureaucracy

The Government has been urged to scrap rules which require restaurants to print different menus for Sundays and public holidays. The Trade Practices Act was amended in 2009, forcing eateries to give customers a total price for food and beverage items. This means they have to prepare a different menu for Sundays and public holidays, rather than simply including a disclaimer about extra charges, the *Financial Review* reported.

CLIMATE CHANGE. ENVIRONMENT. ENERGY

The committee room

Greens leader **Bob Brown** and his deputy, **Christine Milne**, will play front-line roles on the new committee to discuss how to best price carbon, which will be chaired by Prime Minister Julia Gillard and include Deputy Prime Minister **Wayne Swan**. Senator Milne will share the deputy chair position with Climate Change Minister **Greg Combet**. And independent **Tony Windsor** is also on the committee. While it was always intended to be a cross-party committee, the government has given it a status normally reserved for cabinet committees by having the prime minister chair it and her deputy as a member, *The Age* reported. The chief executive of the Minerals Council of Australia, **Mitch Hooke**, warned that the Greens can no longer afford to be just part of the cheer squad and will need to be accountable for their actions. Non-parliamentary committee members include Professor **Ross Garnaut**, the government's former climate change adviser; Professor **Will Steffen**, ANU Climate Change Institute chief; **Rod Sims**, an economist who advised the Business Council of Australia on the ETS; and **Patricia Faulkner**, KPMG partner, chairwoman of the Australian Social Inclusion board who has been selected to give a social welfare perspective.

The Australian reported that **Tony Abbott** formally rejected **Julia Gillard's** invitation to join the cross-party committee aimed at setting a price on carbon, saying it was unacceptable that membership was effectively open only to those who agreed with the outcome in advance. The Prime Minister told the committee members all options were on the table, including an emissions trading system or a

tax on carbon. *The Age* reported that in polling by UMR Research – shown to the committee – of 1,000 people questioned when they were asked whether they generally supported a carbon tax, 44 per cent were in favour and 42 per cent opposed.

Next to Abbott's work choices

The Australian reported that **Julia Gillard** formally buried her election promise to hold a citizens assembly to discuss climate change at the first meeting of the climate change committee. She also broadened the involvement of the Australian Greens in the committee, taking on Melbourne Greens MP **Adam Bandt** and Labor's **Mark Dreyfus** as assistants to the committee.

Green tinged

Deputy Greens leader Christine Milne said her party is prepared to compromise on its climate change agenda and realises it will not get anywhere near its preferred policy of a 40 per cent reduction in emissions by 2020, the *Financial Review* reported.

Big tables and lazy susans

The Age reported that BHP, Rio, Shell and Woodside have signed on to the 20-member advisory roundtable that will work with the Parliament's multiparty committee to develop a carbon tax emissions trading scheme. The *Financial Review* reported on the creation of two new sources of independent advice for the government on climate change. The government has formed two large roundtable groups, one of business and the other comprising union and environment groups, so that no single dissident can derail the process. And the government has kept control of the process by ensuring the two groups report to cabinet ministers directly rather than to the separate climate change committee formed by Labor and the Greens. Treasurer **Wayne Swan** and Climate Change Minister **Greg Combet** will chair the business roundtable while the NGO group will be chaired by Combet and Sustainability Minister Tony Burke.

The Australian reported that member organisations of the business roundtable and their representatives include: the Australian Chamber Of Commerce and Industry, **Peter Anderson**; Qantas, **Alan Joyce**; Woolworths, **Michael Luscombe**; Australian Industry Group, **Heather Ridout**; Business Council of Australia, **Maria Tarrant**; Woodside, **Don Voelte**; Clean Energy Council, **Matthew Warren**; Lend Lease, **Maria Atkinson**;

National Australia Bank, **Cameron Clyne**; BHP Billiton, **Hubrecht (Hubie) van Dalsen**; Investor Group, **Nathan Fabian**; National Farmers Federation, **Ben Fargher**; AGL Energy, **Michael Fraser**; Origin, **Grant King**; BlueScope Steel, **Paul O Malley**; Energy Supply Association of Australia, **Brad Page**; Rio Tinto, **David Peever**; Shell, **Ann Picard**; and Toyota, **Masahide (Max) Yasuda**.

Member organisations of the NGO roundtable and their representatives include: Australian Conservation Foundation, **Don Henry**; World Vision, **Tim Costello**; Australian Workers Union, **Paul Howes**; Coast and Climate Change Council, **Tim Flannery**; The Climate Institute, **John Connor**; World Wide Fund for Nature, **Dermot O Gorman**; Greenpeace Australia Pacific, **Linda Selvey**; Climate Works Australia, **Anna Skarbek**; Monash Sustainability Institute, **John Thwaites**; Australian Council of Trade Unions, **Ged Kearney**; Construction Forestry Mining and Energy Union, **Tony Maher**; Australian Manufacturing Workers Union, **Dave Oliver**; Electrical Trades Union, **Peter Tighe**; Australian Council of Social Service, **Cassandra Goldie**; Brotherhood of St Laurence, **Tony Nicholson**; National Centre for Social and Economic Modelling, **Ann Harding**; Australian Landcare Council, Snow Barlow; North Australian Indigenous Land and Sea Management Lives, **Joe Morrison**; Australian Local Government Association, **Geoff Lake**; and Australian Youth Climate Coalition, **Amanda McKenzie**.

Presiding over the debate

The Financial Review reported that none of the 19 members of the business roundtable on climate change specifically represents coal-fired electricity generators, despite their major responsibility for greenhouse emissions and the growing possibility the power sector will be the initial focus of the carbon trading system. That has sparked accusations the government is deliberately moving to prevent a wider debate on carbon pricing by creating a largely compliant industry advisory group to push for legislation – a charge rejected by Climate Change Minister **Greg Combet**.

On again

Responding to BHP Billiton chief executive **Marius Kloppers** call for Australia to embrace a carbon price ahead of other countries, Gillard refused to rule out a carbon tax, promising the new cross-party climate change committee would look at

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all options in good faith, *The Age* reported. The *Herald Sun* reported that key business groups rejected Kloppers's call for a 'mosaic of initiatives' from the Government to address climate change. The *Financial Review* reported that suddenly, it is business, and not just any business, that is pushing the Gillard government to embrace carbon price. In the same paper, **Geoff Kitney** wrote that suddenly it's on again – a carbon tax or an emissions trading scheme? The debate launched in a most unexpected way. Kloppers is clearly a major business figure. He has again adopted a leadership role.

Into the fray

The nation's new climate change Minister, **Greg Combet**, has vowed to bring common sense to the climate change debate, warning that he will fight for coal industry jobs as he pursues a price on carbon, *The Australian* reported. Combet has worked underground in coalmines, so he knows something of that trade. Combet is expected to be part of the high-level government committee to pursue a consensus on a carbon price.

Uncertainty has a cost

The nation's biggest energy retailer has warned that uncertainty about climate change policy would cost \$2.1b a year by 2020, leaving consumers facing soaring power bills. AGL Energy also signalled a radical shift in its position on carbon policy by urging the Government to first target the \$120b energy sector and parts of manufacturing in an emissions trading standards, *The Australian* reported.

Contrasting views

The *Financial Review* reported that calls from BHP Billiton and AGL Energy for the introduction of an emissions trading scheme contrast with the views of some other senior Australian executives including, **Alan Joyce**, Qantas; **Terry Davis**, Coca-Cola Amatil; **Frank O Halloran**, QBE; and **David Thodey**, Telstra.

The clunk conversation

The Australian's motoring editor **Philip King** wrote that if the Government's cash-for-clunkers scheme goes ahead, it will start in January and aim to take 200,000 old cars off the roads over four years at a cost of \$394m. But it's a poorly thought out proposal that will be damned if it works and damned if it doesn't. And its green credentials are a sham.

Royally peeved

The Age reported that Britain's leading science body has objected to its treatment by *The Australian*, accusing the News Limited newspaper of misrepresenting a report on climate science. Under the headline 'Top science body cools on global warming', the paper said the Royal Society had emphasised that the gaps in the science made predicting the extent of climate change and sea level rise impossible. The newspaper claimed that the society's summary undercuts many of the claims of looming ecological disaster that have been made in a bid to gain public support for political action to tackle climate change. Royal Society vice president **John Pethica** said the suggestion the science body had revised its position was simply not true.

The big easy

The Age reported that **Kevin Rudd's** easy confidence that a high-level UN panel he sits on needs only three meetings a year to work out how the world can increase its population but

halve greenhouse gas emissions is not shared – it seems – by his peers. When the panel had its first meeting at the UN in New York, one of its two co-chairman did not turn up and the other said that more than three meetings were needed because miracles could not be promised.

Uh-oh

The Australian reported that state governments are working towards a timetable for scrapping price controls on electricity and gas in four years, giving utilities the ability to set their own rates for customers. Under a revised deal agreed through the Council of Australian Governments, New South Wales would potentially develop a plan by June 2012 to dump retail price cuts, Queensland would do so by June 2013 and Tasmania one year later. Under the deal, states would each detail a blueprint to carefully manage the removal of price controls within six months of the Australian Energy Market Commission deeming them to have sufficiently competitive retail energy markets. The move comes as the Business Council of Australia urged COAG to deliver on its plans for sweeping national reforms to boost productivity and improve the nation's economic potential, but warned it was bogged down by an overly-complex reform agenda. Victoria dumped price controls in 2008.

Decamping

The Australian reported that the small southwest logging town of Manjimup in Western Australia is bracing for a downturn following Gunns decision to pull out of the state's largest native forest mill and processing plant. Manjimup shire president **Wade De Campo** said the town would be debilitated by the loss of the mill and plant 300 kilometres south of Perth, which employed more than 600 people directly and indirectly. The decision to close the mill if a buyer cannot be found by the end of November follows the announcement by Gunns chief executive Greg L'Estrange that the company would mill plantation timber only in the future.

Character assassination

Former Lihir Gold chairman and eminent economist **Ross Garnaut** has accused the ABC of character assassination after it aired a report on the miner's environmental record in Papua New Guinea. Garnaut led the government's climate change review in 2008.

BROADBAND & IT

Bush-band network

American billionaire publisher **Steve Forbes** called on Canberra to cut the cities out of the national broadband network roll-out and just focus on the bush. He said the Gillard government should not proceed with the \$43b NBN when services in most metro areas were already fast enough, *The Australian* reported. *The Age* reported that the world's richest man, Mexican telecommunications tycoon **Carlos Slim**, has claimed that the national broadband network is too expensive. Echoing criticisms from other business leaders, Slim said that it was very important broadband be accessible to all, but the \$43b cost of the project was too high. It's not necessary to invest so much money because technology is changing all the time, he said. The comments came as the Government revealed it may make reconsider its plans to privatise the NBN, in a bid to secure

Green support for legislation stalled in the Senate.

Nearby

The Australian reported that **Julia Gillard's** deal with the independents to prioritise connecting rural Australia to high-speed internet will delay the rollout of the National Broadband Network. NBN Co was expected to choose the final list of construction contractors by the end of this year, but that has now been deferred until early next year after the election pushed out schedules and while contractors grapple with the requirement to show in their tender process how they will prioritise building in rural and regional areas.

Blame game

Communications Minister **Stephen Conroy** said that the Coalition's fierce opposition to the national broadband network could raise the taxpayer-funded cost of delivering the network by delaying its roll-out, *The Age* reported.

The big sell

The big sell by NBN Co to justify its commercial viability has resumed in earnest after chief executive Mike Quigley nominated November 30 as the date that the wholesaler will hand over the equivalent of its start up business plan to the Government, the *Financial Review* reported.

Broadband signal

Malcolm Turnbull signalled the Coalition would develop a new broadband policy for the next election rather than stick with the approach taken to this year's poll.

Dogma makes a difference

The Coalition has responded to a United Nations report that appears to endorse the Gillard government's national broadband network by arguing that the document is by no means dogmatic about fibre. The report, released by the UN Broadband Commission for Development, suggests cable broadband was a key investment to ensure future economic prosperity. The shadow communications minister **Malcolm Turnbull** responded by maintaining the size and nature of the NBN investment was not prudent. 'The issue here is simply this: is the construction of a \$43b network without any business plan or cost-benefit analysis a responsible investment by government?' he asked. The report stated that optical fibre was desirable at the core of the internet and for the majority of backhaul traffic in order to achieve a high-capacity network. The Coalition's election stance on broadband had relied heavily on global internet proliferation. The *Financial Review* reported that pressure is mounting on Labor as more business leaders join the call for a full cost-benefit analysis of its national broadband network project. In *The Age*, **Peter Martin** wrote that Australians are being steam-rolled into accepting the case for the national broadband network. In a sane world we would ask questions before jumping to answers. It is what Labor promised when it said its decisions would be evidence-based. Instead, our Communications Minister is behaving like a shark moving in for the kill. As **Malcolm Turnbull** plaintively asked: 'If the NBN is the answer, what was the question?'

The same conversation

The competition watchdog has questioned the need for a cost benefit analysis of the \$43b national broadband network, claiming it was the proper role of governments to spend money on visions of the future. Australian Competition & Consumer Commission chairman Graeme Samuel said it was impossible to properly measure the flow on social and economic benefits of a high-speed internet network over the next two or three decades, *The Australian* reported. *The Age* reported that odds shortened on a public inquiry into the costs and benefits of the national broadband network, with the Productivity Commission saying it would be prepared to conduct the inquiry even though the project is already under way.

Big babysitter

The Australian reported that one of Australia's most successful dotcom entrepreneurs has branded the national broadband network a potential \$43 billion high-tech babysitter, joining a growing chorus of industry criticism of the government's internet plans. **Graeme Wood**, founder of the online travel booking service wotif.com, questioned the value of pouring taxpayer funds into a data speedway that most households would use to download games and movies. Billionaire miner Andrew Forrest also joined the criticism of the government's reluctance to conduct a cost-benefit analysis of the proposed network, which it is claimed will deliver internet speeds of 100 megabits per second to most Australians.

A high-speed policy

The Age reported that the Coalition has adopted a high-speed internet policy that would render redundant the proposed national broadband network. The policy accepted by the joint parties meeting would separate Telstra into two companies – a retailer and a wholesaler, possibly named CANCo, enjoying regulated pricing required by law to provide all Australians with broadband at a minimum speed of 12 Mb per second. Twelve Mbps is faster than most Australians enjoy at present, but slow enough to be achievable using existing infrastructure such as Telstra's copper network and Foxtel's coaxial cables and satellite and wireless technology. However, the Coalition declared it would find a cost-benefit tick of approval for the \$43b Labor proposal from the Productivity Commission incredibly persuasive, meaning that perhaps bipartisan support for the project is not impossible.

Briefly

A brief to the incoming Gillard government, obtained by *The Australian* under Freedom of Information laws, says that legislation to stop Telstra's near monopoly position is necessary in order for the new NBN to proceed, and also suggests that NBN Co abandon its support for some key recommendations of the McKinsey-KPMG study.

Waiting game

Construction companies vying for contracts to build the \$43b national broadband network will have to wait until February before knowing their fate amid industry speculation that less than 21 proposals were tendered ahead of the October 22 deadline, *The Australian* reported.

Their promise is their promise

NBN Co has strongly backed the government's

promise to set uniform prices for the broadband service regardless of location, outlining design plans to achieve the goal, the *Financial Review* reported.

Non-bindingly obvious

Telstra warned that its \$11b non-binding deal with the Government's National Broadband Network Company is fragile and unlikely to be put to shareholders by the planned June 2010 deadline if the Senate doesn't approve crucial legislation. Chief financial officer **John Stanhope** also expressed irritation at **David Murray**, chairman of the company's biggest shareholder, the Future Fund, over suggestions that Telstra had not kept the market sufficiently informed about details of the deal. Telstra shares dropped 6c to a record low of \$2.66 amid fears that the competition regulators proposed cut to the prices Telstra can charge rivals for access to its home phone network (see below) could force the company to reduce its .28c dividend, the *Financial Review* reported. *The Australian* reported that Stanhope said it was up to the government to decide whether it conducted a cost benefit analysis of the \$43b network, but as a 'finance man... everything should have a business case. If you're asking for my professional finance view, then there should be a business case for any investment,' he said.

Following suit

The *Financial Review* reported that Optus is in advanced talks to transfer its half a million cable broadband customers to the Government's national broadband network in an echo of the \$11b non-binding agreement struck by Telstra and NBN Co in June.

Union-friendly network

The National Broadband Network faces further scrutiny over its costs after striking a union friendly four-year workplace agreement that includes annual pay rises of 4 per cent an extra 1 per cent in superannuation over the life of the deal. The deal with the Communications Electrical and Plumbing Union allows union delegates reasonable time to consult with employees, to interview NBN Co management, communicate with employees and represent the interests before tribunals, the *Financial Review* reported.

Opt-out

The Australian reported that Tasmanian homes and businesses will automatically be connected to the National Broadband Network unless they actively refuse it, in a bid to shore up the viability of Australia's first fibre optic cable roll-out. The move follows official estimates that only 16 to 25 per cent of premises passed by the roll-out would take up subscriptions to access the high-speed internet it offers. Industry experts suggest a take-up of 80 to 90 per cent is necessary if the NBN is to become a focus of service and information delivery. New South Wales and Victoria have ruled out following Tasmania's lead in legislating for all homes to be connected to the network.

Formalising the alliance

The *Financial Review* reported that the Gillard government has scaled back laws that would curb Telstra's growth, in a broadband policy shift that improves the chances of a formal alliance with the company to build the \$43b broadband network. Communications Minister **Stephen Conroy** has sacrificed some of his power to block Telstra

from buying badly needed wireless spectrum.

Changing market

Telstra may be forced to charge lower wholesale prices for fixed broadband services as the competition watchdog considers backing out of a 2008 decision not to regulate wholesale services. The Australian Competition and Consumer Commission claims the broadband market has changed since 2008 and regional customers lack competitive ADSL2+ broadband services because Telstra is pricing other carriers out of the market, *The Age* reported.

Changing tones

The *Herald Sun* reported that Telstra boss **David Thodey** declared the telco has embarked on its biggest strategic shake-up since listing on the sharemarket in 1997. The top goal is to lift the company's notorious customer service levels. To achieve this, 500 Telstra employees will be given the task of implementing 27 separate programs. Investors have been waiting for a circuit breaker to stop the Telstra share price's losing streak that has seen it hit a record low of \$2.66. In a significant boost to shareholders, Thodey said the company's \$5b free cash flow meant its 28 per cent dividend should be safe this financial year. The *Financial Review* reported that Telstra will cut around 6,000 jobs, or 15 per cent of its workforce, over three years as it seeks to return earnings to last year's levels and revive its share price despite uncertainty over the \$11b deal with Labor's national broadband network. Meanwhile, Telstra appointed former Westpac technology executive **Patrick Eltridge** as its chief information officer, four months after the previous technology chief, **John McInerney**, quit the telco.

Our geeks

The Australian reported that Austrade has upped the ante on selling Australia's IT and communications smarts with a new international investor road-show that kicked off in October. The inaugural series of investment seminars, dubbed Why Australia for ICT, began with Dubai as the first leg. Austrade will also try to woo investors in London, Bangkok, Manila, Barcelona, Hanover and Singapore. Obsolete, and the prices are too high. Consumers could pay less for fixed phone-line rental and local calls, after a pricing review found local calls cost carriers 7c to transfer. The Australian Competition and Consumer Commission is seeking responses on proposed new wholesale prices for fixed telephone lines to last from the beginning of next year until the end of 2014, *The Age* reported.

The bad old days

In the *Financial Review*, **Paul Fletcher**, the Liberal member for Bradfield, wrote that Labor's broadband policy takes us back to the bad old days of a competition free government monopoly. We're all paying for this risky business venture; the worse it does commercially, the more we will pay.

Walking

Telstra's director of brand, advertising and digital, **Chantal Walker** is leaving, to be replaced by **Inese Kingsmill**, a Microsoft executive of 16 years, as director of marketing and communications. Kingsmill will report to **Kate McKenzie**, who was promoted to the new role of chief marketing officer earlier this year, the *Financial Review* reported.

Savings in the cloud

Australian federal agencies could come under

renewed pressure to cut Canberra's \$6b technology budget further after the UK's chief information officer, **John Suffolk**, revealed, at the World Computer Congress in Brisbane, that his government is pursuing savings of 20 per cent to 25 per cent from cloud computing.

BUSINESS. ECONOMY. TAX CURRENCY

In the mail

The Age reported that thousands of Australia Post outlets could be transformed into financial shopfronts – offering banking services to the public – under a plan to subject the nation's major banks to more competition. One of Australia's most experienced and influential bankers, **David Murray**, has been in talks with the Gillard government about expanding the role of the Australia Post branch network.

The Financial Review reported that Australia Post's profits before tax – which were running at almost \$600m two years ago – slumped to \$103m in the year to June 30. Chief executive Ahmed Fahour blamed the worst mail volume decline in Australia Post's history of 4.2 per cent. The government-owned postal business had fought off competition from electronic communications until two years ago, when standard letter volumes and revenue began to falter. There is some hope, however, as the Australian dollar nears parity with the US dollar, every dollar Australia Post loses in letters it makes back in parcels, as online shopping booms.

Joe charges

Shadow treasurer **Joe Hockey** controversially suggested that Australia's big banks should face legal curbs on interest-rate rises. He urged a social compact with the banks and a mature debate that could include legislation stopping them from lifting home rates by more than rises in the Reserve Bank's official cash rate. He was left stranded by his own side, with former leader and senior colleague **Malcolm Turnbull** declining to endorse his remarks. Tony Abbott also publicly faltered over endorsing him. ANZ chief executive Mike Smith said Hockey has hijacked the Liberals

economic credentials. *The Financial Review* reported that the Australian Competition and Consumer Commission has joined Treasury in warning that more action may be needed to rein in the big four banks, and called for new laws to deal with potential collusion on interest-rate changes. Commission chairman **Graeme Samuel** said he would support being given new powers preventing banks publicly indicating to competitors future interest-rate movements.

Nearby

The Financial Review reported that **Julia Gillard** warned that Australia's long-term prosperity will be threatened if the Opposition succumbs to 'economic Hansonism' and undermines continued economic reform. 'If a strain of economic Hansonism takes hold on the conservative side of politics in a Parliament that is so finely balanced, our long-term prosperity is at real risk,' she told the Australian Industry Group's annual dinner.

Banks. Next.

Treasurer **Wayne Swan**, critical of the Commonwealth Bank of Australia's decision to lift mortgage rate by almost double the Reserve Bank of Australia's increase, might include backing for the mortgage bond market and a new safety net to replace bank deposits guarantees in HIS plan to force more competition in the banking sector. CBA chief Ralph Norris warns that Australia is developing an international reputation as a tough place to do business as a result of government assaults on banks and the mining sector. He also recommends that unhappy CBA customers speak with him directly rather than be rude to his staff! Nearby, the Australian Council of Trade Unions wants more regulation of the big four banks.

Another tax debate

Tax reform will be debated in Parliament next year in another step by the Gillard government to respond to the Henry tax review amid calls from business for stronger action to overhaul the tax and transfer system. The government confirmed the opportunity to air proposals for change by promising the tax debate in the formal speech

that opened Federal Parliament, making it one of the key agenda items for its term in office.

Interest in rates

There were conflicting reports about the state of the economy in regard to whether Australia needed another interest rate rise. *The Age* reported that the International Monetary Fund challenged the Reserve Bank's forecast the economy faces a boom ahead, and implied that it should wait and see before acting. In its latest report on Australia, the IMF also endorses the government's timetable for reducing the deficit – now under fire from leading economists and Treasury itself.

Our two-speed economy

Treasury has warned the government that the economy has entered a mining boom running at close to full employment – and manufacturing and tourism will have to shrink to make room for it. In an unprecedented burst of open government, Treasury released a censored version of its confidential 'red book', briefing the new government on a range of policy problems and steps it should take, *The Age* reported. *The Australian* reported that the Treasury's brief to the incoming Government, released under a Freedom of Information request, warned that Australia's prosperity faces some big risks from the world economy and rejected Julia Gillard's election campaign call for a population growth slowdown, saying rapid population growth is both inevitable and a key part of Australia's adjustment to the resources boom.

**The Financial Review* reported that, according to advice to the incoming government from Treasury, Australia's foreign investment regime needs to be overhauled and its approach to bilateral trade agreements reconsidered.

The Age's* economics editor, **Tim Colebatch, has warned **Julia Gillard** not to listen too closely to Treasury, as the departmental wish list it provided puts way too much emphasis on mining.

*Treasurer **Wayne Swan** played down the prospects of taking Treasury advice to radically overhaul



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Mark these dates in your diary:

Turkey: Bridge Between East and West?
Mr Aydin Nurhan, Consul-General for Turkey, and Dr Luca Anceschi, La Trobe University
Wednesday 17 November 2010
5.30pm – 7pm
Dyason House

International Education, a panel discussion of critical issues led by AIIAV Council member Dr Richard Chauvel
Wednesday 24 November 2010
5.30pm – 7pm
Dyason House

Book launch – 'The Korean War: Australia in the Giants' Playground', with author and veteran foreign correspondent Mr Cameron Forbes
Wednesday 1 December 2010
5.30pm – 7pm
Dyason House

Festive luncheon, with ABC Radio's Mr Jon Faine who will speak on the epic overland journey he and his son made to London
Tuesday 7 December 2010
12.15pm for 12.30pm – 2pm
Morgans at 401 Collins Street, Melbourne
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Australia's foreign investment regime. Treasury says the regime is too complex, excessively broad in its coverage and not based on a firm legislative footing

*The *Herald Sun* reported that MP entitlements could be reduced as the cost to the taxpayer from expenses has blown out to \$1.65m for each of the nation's 226 parliamentarians. The Department of Finance has warned the Gillard government of an expectation to reform MPs' entitlements and told the government the generous scheme would cost \$373m this financial year.

Structural deficit

The *Financial Review* reported that the budget will be in structural deficit in the next 10 years, according to new treasury research, providing further evidence that the Gillard government will need to make deep spending cuts to ensure long-term fiscal sustainability. The structural balance, which excludes temporary cycle factors such as commodity price plans and is generally regarded by economists to be the best measure of the budget's underlying strength and an indicator of sustainability, was analysed in Treasury's latest Economic Roundup. It followed warnings by the Treasury and Finance departments, and the International Monetary Fund and Access Economics, about the risks of the budget's growing reliance on commodity prices.

Be bold

The *Age* reported that Treasurer **Wayne Swan** has urged political leaders to resist protectionist policies and pressed the case for currency reform, in a bid to keep the fragile global economic recovery on track.

Defiant bank

Defying predictions by economists and calls from the big four banks, the Reserve Bank of Australia did not raise interest rates in October, unlike November. The *Financial Review* reported that the RBA unexpectedly held its cash rate target at 4.5 per cent for its fifth meeting in a row. It left the big banks in limbo as they were initially indicating they would lift their mortgage rates by more than the official cash rate when the interest rate rise was announced. The Reserve Bank dismissed complaints by banks that their margins were being eroded by the increasing cost of raising funds on world markets. Prior to this decision, *The Age* reported that banks have been quietly raising interest rates to small and medium enterprise customers, blaming higher funding costs. The move is a further setback for business, which remains reluctant to invest with confidence levels still shaky. On the day that the RBA met to decide to leave the interest rate unchanged, **Terry McCrann** wrote in the *Herald Sun* that you can blame **Julia Gillard** and **Wayne Swan** – and **Ken Henry** – for being at least partly and arguably significantly responsible for today's interest-rate rise. He went on, they are continuing to run a hugely expensive fiscal policy, splashing taxpayer money around – stupidly, I might add, but that's another story – in the middle of the biggest commodity boom in this country's history.

On the same day, the *Financial Review* reported that a monthly gauge of inflation compiled by TD Securities and the Melbourne Institute rose by 3.2 per cent in the 12 months to September, breaching the upper boundary of the central bank's target band of 2 per cent to 3 per cent, increasing the likelihood

of an interest-rate rise. A conflicting report in *The Australian* found that the Reserve Bank's case for a rate rise had been weakened by a survey of prices showing inflation had almost disappeared. The measure of core inflation preferred by the RBA had not changed at all in the two months leading up to their meeting and rose by only .1 per cent in July, according to the monthly inflation gauge compiled by the Melbourne Institute and TD Securities.

In *The Age*, when it was known that interest rates were remaining on hold, **Tim Colebatch** wrote that the Reserve Bank made a wise choice. And by doing so, it reminded us that its nine members set interest rates, not the bank's senior officials. A year ago the board raised rates for the first time in this cycle – despite market economists tipping a rise and News Limited columnist **Terry McCrann** saying it was all but certain rates would stay on hold. When the RBA announced that rates would stay put, the Australian dollar fell nearly US1c to US95.74c, its biggest drop in six weeks. In November, the RBA announced an interest rate rise of .25 of a percentage point to 4.75 per cent. The RBA rate rise is additional encouragement for the Australian dollar to stay more than in parity with the US dollar.

One tool, two speeds

In the *Financial Review*, **John Kehoe** wrote that a two-speed economy is a difficult problem for the Reserve Bank and it only has one tool. While the mining sector barely twitches from the interest-rate increases forced by its success, other sectors already doing it tough will pay the penalty. Industries such as retail, tourism and manufacturing are still battling to recover from the economic downturn caused by the global financial crisis.

The dollars touch

Buoyed by the US dollar's weakness and investors increased appetite for high yielding assets, the Australian dollar neared parity with the US dollar in late September hitting a high of 97.50 cents against the green back, the *Financial Review* reported. The government fears a high dollar and growing currency imbalances could damage the budget outlook, making it more difficult to achieve a surplus by 2012-13. On October 8, *The Age* reported that the Australian dollar (99.14c) was close to parity with the US dollar for the first time in decades after another increase prompted by positive local news on jobs. On October 15, the dollar hit a fresh 28-year high of US99.94c.

A surge in hiring pushed an extra 56,000 people into full-time jobs in September, on top of the 57,000 in August, and the unemployment rate consolidated at a historically low 5.1 per cent. By October 16, the dollar had reached parity with the US, with many economists predicting it could reach \$1.10 or as high as \$1.20.

Shorten role

Assistant Treasurer **Bill Shorten** has assured small-business operators that the government will not change tax rules for independent contractors after some in the industry alleged there is a plan to implement recommendations from the Board of Taxation, the *Financial Review* reported.

Punting

The government is banking on the improving

economy to lift its tax take by close to \$100b a year over the next three years, after 2009-10 saw the take collapse to almost the lowest level in 30 years, *The Age* reported.

Credible credit policy

The *Financial Review* reported that as part of policies announced during the election campaign, Labor said it would ban credit card companies making offers to raise limits without the prior consent of customers. Labor will also prevent card issuers from allowing customers to exceed credit limits.

Into Asia

The Singapore stock exchange is poised to offer a premium of up to 40 per cent to acquire the Australian Securities Exchange in a move to create an Asian trading hub, *The Age* reported. Local stockbrokers have warned against Australia losing control of its capital markets. Canberra might seek to fold the clearing and settlement functions of the Australian Securities Exchange into the Reserve Bank to protect the nation's payment infrastructure. The ASX's compliance role, which includes ensuring companies follow listing rules, is emerging as a key issue among politicians who could be crucial to the fate of the Singapore Exchange's proposed \$8.4b takeover bid. Stockbrokers also raised concerns over the control of the \$400m Clearing Guarantee Fund, which provides certainty that equity trades will take place and includes about \$120m in contributions from broking firms.

The *Herald Sun* reported that the Coalition will need to deliver parliamentary backing of the takeover after key crossbenchers are geared up to block it. The proposed merger struck political trouble when WA Nationals MP **Tony Crooke**, Greens MP **Adam Bandt** and Tasmanian independent **Andrew Wilkie** confirmed their opposition. The *Australian* reported that a merger between ASX Limited and the Singapore Stock Exchange would continue a sweeping consolidation among global stock market operators as they face upstart rivals and pressure on the fees they charge market participants. The prime minister said that the opposition should stay in tune with the idea of long-held bi-partisan support for foreign investment.

100,000 millionaires

The *Financial Review* reported that the number of Australian millionaires rose by more than 30 per cent in 2009, as part of an Asia-Pacific rebound in wealth beyond pre-financial crisis levels. The number of millionaires hit 174,000 in 2009, with combined wealth of \$US519b, a jump of nearly 37 per cent from a lull of \$US380b in 2008. Nearby, *The Australian* report that the Queensland mining entrepreneur **Nathan Tinkler** returned as the wealthiest young Australian, after losing top spot last year, with a fortune of \$610m. His decision to buy a Queensland mine from Rio Tinto for \$480m, then put it into the \$1.2b August float of Aston Resources, saw him increase his wealth from \$366m last year.

Stress tests

The Age reported that the world's 25 biggest financial systems, including Australia's, will be stress tested by the International Monetary Fund every five years, in a key reform to try to head off another global financial crisis. In a compromise

deal, the US and other big economies widely agreed to a five-year exam after blocking the IMF's plan to conduct stress tests every three years.

The don

Don Voelte will step down as chief executive of Woodside Petroleum in the second half of next year.

DEFENCE

Controversial area

The Australian reported that three special forces soldier will face an unprecedented court-martial over the death of six people in Afghanistan, including five children, raising serious concern within the military about the effect the action will have on diggers fighting on the front line. *The Age* reported that, according to an expert on military law, the decision to charge the soldiers was motivated at least partly by the need to win Afghan hearts and minds. Whilst stressing that the main factor in laying the charges would have been the likelihood of a conviction, the Australian National University's **Don Rothwell** said Australia's obligations under international law would also have been a consideration. The decision to court-martial the three soldiers was announced by Director of Military Prosecutions **Lyn McDade**. *The Age* reported that her decision has prompted soldiers, veterans' associations and conservative lawyers to attack McDade in an attempt to overturn her decision to prosecute the three commandos. More than 14,000 people have signed an online petition asking Governor-General **Quentin Bryce** to help dismiss the charges. More than 1,000 signatures have been added each day this week, including those of serving members of the Australian Defence Force. The petition criticises the unprecedented decision by Brigadier **McDade** to charge the officer and two commandos with serious offences, including manslaughter. *The Herald Sun* reported that morale in sections of the army is suffering after the controversial decision to court martial the diggers. Blogs and webposts by serving soldiers show unrestrained disdain for the army's senior command over the issue. *The Australian* reported that Opposition Leader **Tony Abbott** questioned the fairness of the military justice system, warning that Australians do not want to see three diggers in Afghanistan facing manslaughter charges 'thrown to the wolves'. On the opinion pages of the same paper, Kathryn Cochrane, a barrister and Squadron leader in the RAAF High Readiness Specialist Reserve, wrote (her personal opinion, not the ADF's) that an independent director of military prosecutions is a step too far.

Political war

The Financial Review reported that the Opposition has called for the Gillard government to commit almost 400 extra troops, attack helicopters and possibly tanks to Afghanistan, accusing Defence Minister **Stephen Smith** of offering a lethargic response to concerns raised by Australian soldiers that they are under resourced to carry out their mission. *The Australian* reported that Smith said Australian troops are benefiting from a beefed up US military presence in Afghanistan's Oruzgan province, including ready access to artillery, aerial support and intelligence. *The Age* reported that Prime Minister **Julia Gillard** said Australia's commitment to the

war in Afghanistan is not capped and will be increased if military chiefs request it.

A first

Opening Parliament's first-ever debate on the nine-year war in Afghanistan, in which 21 Australians have died, Prime Minister Julia Gillard warned that Australia would need to stay engaged in Afghanistan in some form for at least another decade, *The Age* reported. *The Australian* reported that on the second day of the debate on the Afghanistan deployment, **Gillard** warned that the timing of any troop withdrawal would depend on security conditions on the ground and not on an arbitrary exit date. **Adam Bandt**, the Greens only House of Representatives MP, challenged the government's rationale for keeping Australian troops in Afghanistan – a war he and Tasmanian independent **Andrew Wilkie** charged was wrong and indefensible. The Greens called for Parliament, not the prime minister, to decide whether Australia goes to war. In the same paper, **Greg Sheridan** wrote that military strength and broader strategy went unmentioned in the parliamentary debate, which possessed an Alice in Wonderland quality. The same paper's editorial asserted that the case for a just war was well made in Parliament, with Julia Gillard delivering the speech we needed to hear. *The Age*'s editorial said the Parliament's debate has shed no light, and not much heat, and the speeches have masked the reality of Afghanistan's war.

Little optimism

The Age reported that according to Queensland Senator **Russell Trood**, most coalition MPs back the war in Afghanistan with little optimism about the chance of victory.

He Wilkie?

Iraq war whistleblower **Andrew Wilkie** is set to help oversee the operations of the nation's most secret intelligence agencies under a surprise appointment that is bound to upset Australia's spooks. The Tasmanian independent has accepted an invitation from Prime Minister Julia Gillard to be a member of the Parliamentary Joint Committee on Intelligence and Security, which reviews the operations and classified material from Australia's six spy agencies, *The Age* reported. Wilkie has since called the shadow defence minister David Johnston an armchair general and questioned his fitness for the job. Wilkie's attack was in response to comments in which Senator Johnston accused Chief of the Defence Force Angus Houston of failing to stand up for the three commandos charged over the killing of six civilians in Afghanistan last year.

Sensitive technology

Australia will be able to obtain more sensitive United States defence technology after the US Senate agreed to ratify the Australia US Defence Trade Co-operation Treaty, after stalling the agreement for three years, *The Age* reported. The dollar is mightier than the sword *The Financial Review* reported that Treasury urged the Government to buy more off-the-shelf defence weaponry to take advantage of the strong Australian dollar and to avoid adding to pressures on interest rates. The advice is contained in Treasury's incoming economic brief to the government but is unlikely to be welcomed by the local defence industry, which is seeking greater certainty from the Government on defence purchasing.

Solomon in the Solomons

The Australian forces in the Solomon Islands – which has been there since 2003 at a cost of more than \$1b – could be needed for another five years, according to the nation's Prime Minister Danny Philip, *The Age* reported.

INFRASTRUCTURE

Renovate infrastructure

The Government infrastructure adviser, **Infrastructure Australia**, should be overhauled and reforms pursued to allow the private sector, including superannuation funds, to play a bigger role in delivering key projects, Treasury told the Gillard government. In a blunt assessment contained in the incoming government brief, Treasury criticises the lack of a rigorous, coordinated and long-term infrastructure plan by governments, especially the states, the *Financial Review* reported.

Speedy conclusion

The Age reported that government documents suggest high-speed rail will not be viable because the areas between Australian cities are too sparsely populated and the distances between them too great. But Labor and the Greens say the documents underline the need for a \$20m study into the idea. The study was a Labor election promise, and the Greens negotiated to bring forward the completion date of the reports to July. A minute prepared for Transport Minister **Anthony Albanese** by his department, and obtained by the Seven Network, said viable high-speed rail operations needed at least 6 million passengers a year, but more typically 12 to 20 million passengers a year. Currently, there are about 7 million annual passenger trips between Melbourne and Sydney. *The Financial Review* reported that the Department of Finance warned the Gillard government that the proposed \$4.7b inland rail link from Melbourne to Brisbane will not be commercially viable for at least 20 years. *Letter From Canberra* and Affairs of State run regular presentations on Fast Rail, 03 9654 1300.

Second stimulus

The Government's \$15m fund compensating businesses hurt by the botched insulation scheme is facing a cost blowout, as the funds have already been spent, but only 60 per cent of claims have been paid or processed, *The Australian* reported. *The Financial Review* reported that the cleanup program for the insulation scheme could end up costing taxpayers as much as \$680m, even if inspections are not carried out on all the 1.1 million homes in the scheme. Contractors have begun examining the 200,000 homes promised inspections when the scheme was scrapped in February, but the government has repeatedly refused to give any details on how many of these have safety risks. *The Age* reported that the government has refused to release data from its inspection of properties affected by the insulation scheme, saying it could create further havoc in the already battered industry. Climate Change Minister Greg Combet and parliamentary secretary Mark Dreyfus issued a joint statement saying the inspections had been targeted at installations suspected of being dodgy, so the results would be misleading and could generate further disruption in the insulation industry.

Interesting area

The 'mum and dad' investors targeted in Queensland's QR National float have been told to factor in taxes on carbon and mining profits before weighing into the fourth largest share offer in Australian history. The sale is the largest float after the three Telstra floats, the last of which raised \$15.5b. Potential investors are warned, in the 148-page share offer document, that the introduction of a carbon or similar tax for greenhouse emission abatement could reduce demand for coal, having an impact on QR National's bottom line, *The Australian* reported.

EDUCATION**Early on**

The *Herald Sun* reported that after pressure from educational institutions, new Schools Minister Peter Garrett became the Minister for School Education when he was sworn in. And Jobs, Skills and Workplace Relations Minister Chris Evans had tertiary education added to his title.

A reflection of the state of the state?

The Australian, continuing its campaign against the Building the Education Revolution program, reported that another damning report into the BER scheme in New South Wales underlined the pattern of price-gouging by contractors and double-dipping on fees by the state government, as well as a culture of fear preventing school communities from speaking out. The report, by a state upper house Parliamentary committee, has called for an independent inquiry into how the New South Wales Department of Education manages its school building program.

Judicious

The Opposition will push for a judicial inquiry into the \$16.2b school building program. Legislation would dissolve the taskforce investigating the implementation of the scheme, *The Australian* reported.

Gang of four

Queensland joined New South Wales, Western Australia and South Australia in investigating cheating by schools on the national literacy and numeracy tests, after a Brisbane principal was stood down and up to nine other schools were implicated in breeches, *The Australian* reported. State and territory education departments have begun investigating at least 51 reports of cheating by schools, stemming from the NAPLAN tests in May.

Curriculum news

The national school science curriculum is fundamentally flawed and should not be implemented in its current form, according to the deans of science in the nation's universities. The Australian Council of Deans of Science, representing 37 universities, wrote to all education ministers, expressing concern that the curriculum has not set out a coherent course of study. They said the curriculum appeared to be driven by expediency and the preconceived ideas of the writers. The letter also said few school science teachers have the expertise to teach the new curriculum, *The Australian* reported. *The Age* reported that the national curriculum will devote as much time to media arts – which involves creating videos and online games – as it does to traditional arts

subjects such as music and visual arts. Every child from kindergarten to year eight will be required to study two hours a week of media art, drama, dance, music and visual arts under the next phase of the national curriculum.

Nearby

The *Australian* reported that history teachers warned that the national curriculum was being cobbled together through a flawed process of ad hoc decisions and a lack of clear guidelines. The History Teachers Association of Australia has joined the chorus of concerns raised by professional and academic geographers, scientists, visual artists and principals that the rush to finish the curriculum by the end of the year is compromising the quality of courses.

A course of action

The proposed national school curriculum will be overhauled after complaints that it made maths and science too difficult and under-emphasised recent Australian history, *The Age* reported. The Australian Curriculum Assessment and Reporting Authority outlined to state and federal education ministers its response to criticism of its initial draft, released in March. The authority said 58 per cent of the feedback it received highlighted overcrowding across the draft curriculum and that this may detract from the depth and quality of understanding achievable.

Dollar stinging

The \$18.6b export education industry is struggling to find new revenue as the rising dollar deters foreign students, and other countries target Australia's key markets, the *Financial Review* reported.

Philosophical about it

The *Financial Review* reported that university academics have won wage rises not seen for decades, after a protracted round of enterprise bargaining for 100,000 staff nationwide. All but 10 of the 38 universities have conceded rises of at least 16 per cent over three years, in deals that will push senior lecturer salaries to \$100,000 a year on average by mid-2012.

Replacement lan

The Australian National University in Canberra has appointed a renowned coastal engineer as its new vice-chancellor. Ian Young, who is vice-chancellor of Melbourne's Swinburne University of Technology, will replace Ian Chubb in March 2011, the *Financial Review* reported.

HEALTH**Meanies**

The Australian reported that the Gillard government is planning a new attempt to means test the 30 per cent private health insurance rebate in a move that is likely to win Greens support, but could put it at odds with independents **Tony Windsor** and **Rob Oakeshott**.

Poverty solutions

Twenty years after the Hawke Labor government failed to meet a promise to eliminate child poverty, the Salvation Army has called on the Government to develop a child poverty strategy to tackle persistent disadvantage, with about 12 per cent

of Australian children aged up to 17 living in poverty – that is, they are denied economic, social and educational opportunities including nutritious meals, school excursions and warm winter clothing that most take the granted, *The Age* reported.

Pardon?

The inventor of the bionic ear, Professor **Graeme Clark**, has become the third Australian to receive the prestigious Lister Medal in recognition of his contribution to surgical science. The award, bestowed by the Royal College of Surgeons of England, was presented to Professor Clark at a gathering at Melbourne University to celebrate his 75th birthday, *The Age* reported.

MEDIA**Australian tantrum**

Communications Minister **Stephen Conroy** had used a TV interview to criticise The Australian's political coverage, and had previously told a Senate estimates hearing the paper was interested in regime change. He declared that the paper was engaged in a tantrum over the result of the August election. Senator Conroy has been the most forthright of government critics of political coverage by *The Australian* – but Prime Minister Julia Gillard has also taken on elements of the paper's coverage in a more light-hearted way, *The Age* reported.

Channel 1.8

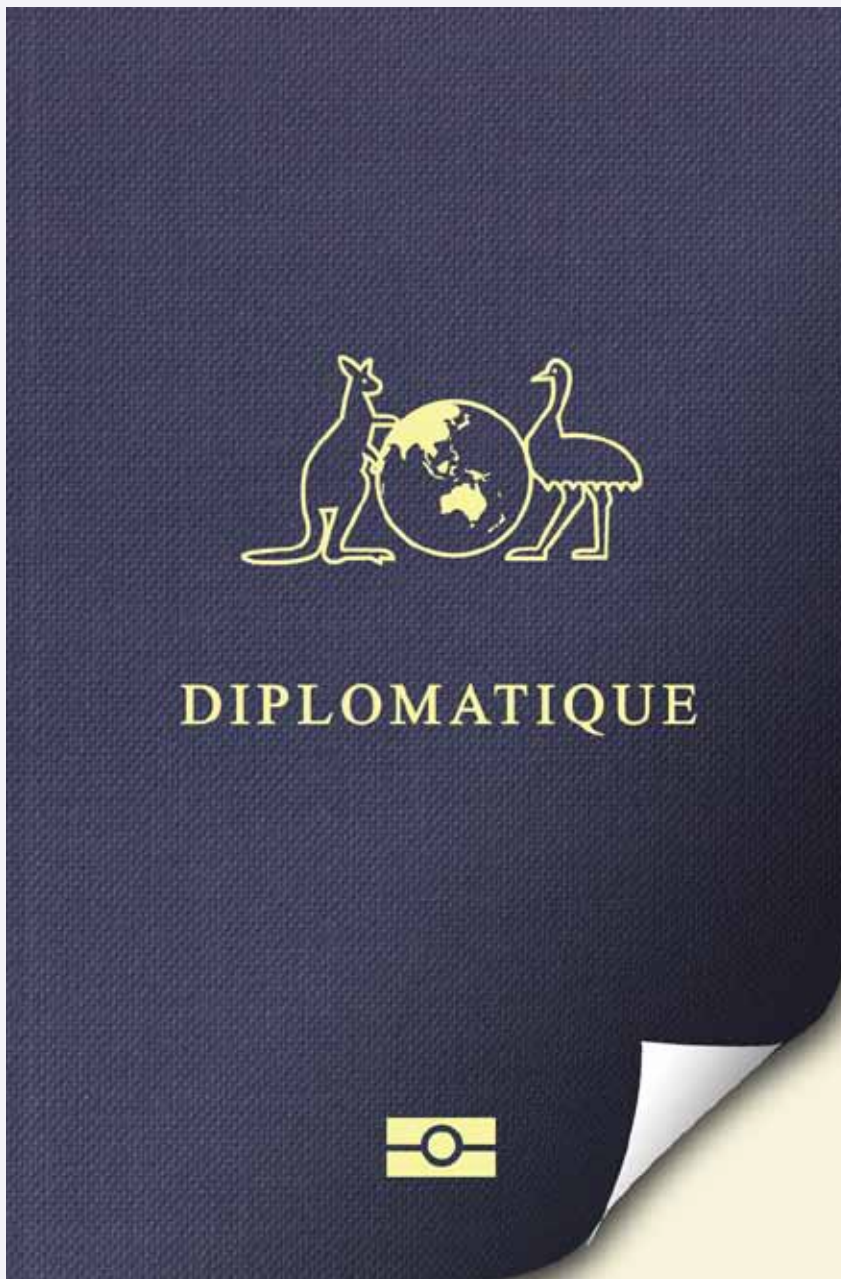
A day after it was confirmed that **James Packer** had bought an 18 per cent stake in Channel 10, the Australian Competition and Consumer Commission said it would examine the investment to see if it raised competition concerns, *The Age* reported. Many believe that Packer's \$245m raid on the Ten Network is part of plan that could lead to the axing of Ten's sports channel, One HD, and its replacement with a free-to-air version of **Rupert Murdoch's** Sky News service. Packer's move may be blocked because it would reduce competition for AFL broadcast rights. And because two key shareholders have thrown their weight behind the casino king's plans to shake up the TV network, his 17.88 per cent stake will be treated as a controlling interest in a review by the ACCC, where a major issue is the 25 per cent stake in Foxtel (a Ten rival) that is controlled by Packer's Consolidated Media.

Tanks roll up the lawn

Crikey publisher **Eric Beecher** has attacked the ABC's decision to branch into new areas such as online commentary in competition with websites such as his own, likening the move to seeing tanks roll up the lawn. He criticised the ABC's opinion site The Drum as seriously and dangerously compromising the ABC's editorial integrity by running wacky personal opinions that were mainly from the Left. Beecher said while he expected competition from commercial rivals such as The Punch (published by News Limited, which owns *The Australian*), it was bewildering when it came from the national broadcaster and the government should intervene if it failed to curtail itself, *The Australian* reported.

We hardly knew ye

Some of the ABC's highest profile news stars are vying to fill the coveted prime-time void



Foreword The Hon. Michael MacKellar



Australia's economy is the envy of the developed world. The Australian dollar hit parity with the greenback this month, and we are enjoying a net trade surplus with the rest of the world. But the complexity of the global economy is heightened when one considers the relationship between factors such as trade flows and the value of the leading currencies.

This supplement can only scratch the surface of such issues, but it can provide some useful background information to Australians interested in our global trade relationships.

The decisions and actions political leaders make have a real affect on business, and those policies effectively govern international trade. We hope this supplement opens up some aspects of this mix of politics and trade. For those who would like to further their knowledge and understanding of the issues, let me invite them to attend one of the regular talks held at the Australian Institute of International Affairs.

The Hon. Michael MacKellar
*President, Australian Institute of
International Affairs Victoria*



Guest Editor Daniel Wilson

Daniel Wilson is a guest editor for this special supplement to our Letter from Canberra. Daniel is a freelance journalist, and is Editor-in-Chief of Quarterly Access, the national publication of the youth networks of the Australian Institute of International Affairs. He holds a Master of International Politics degree from the University of Melbourne and has lived and studied in Vienna, Rotterdam, Berlin,

and Melbourne. Daniel has organised a diverse range of events, including the AIIA's International Careers Conference.

Global trade issues in the news



The Aussie Dollar - the wonder from down under

On the night of October 15 the Aussie Dollar hit parity with the Greenback. If present interest trends continue, currency traders speculate it could reach \$US1.10 by the middle of 2011.

For many Australians this is cause for celebration, particularly for those travelling abroad, purchasing foreign goods, or paying overseas' debts. It is also a good time to invest overseas.

Net performance of Aberdeen's Asia Opportunities Fund, for example, has delivered returns of 19.9 per cent over the past year. This is partly a result of a global financial crisis (or GFC) rebound, but also reflects the sustained performance of China's economy and the weakness of the US dollar.

A strong Aussie Dollar is not good news for everyone. Andrew Robb, the Coalition's finance spokesman, told ABC Radio, "We have got nothing to celebrate", reminding us that it will hurt manufacturers and farmers that export, as well as tourist operators. He called on the government to take action to keep the dollar low.

The independent Bob Katter went even further, calling on the Reserve Bank to lower interest rates. He told ABC Radio, "Everyone knows what is causing it - our interest rates are 450 per cent higher than our nearest rival, Europe." He went on, "The dollar should come down to where it was when it was allowed to free fall in Keating's day, which was 60 [US] cents."

The US, the European Union (EU) and others are actively devaluing their currencies. By keeping their currencies artificially low they aim to enhance economic recovery, boost exports and attract foreign investment. While low interest rates and an oversupply of currency (i.e. 'quantitative easing') could stimulate spending and make it easier to repay debt, it could also cause inflation and hence erode the value of assets. The Wall Street Journal has reported rumours that the US Federal Reserve will double its inflation target to 4 per cent or even more.

The blame for what is emerging as a 'currency war' has been attributed to China's chronically undervalued Yuan. The IMF's

chief economist Olivier Blanchard states, "I don't think China has been unfairly finger-pointed. China is a very big country. It has a very large current account surplus." IMF Managing Director Dominique Strauss-Kahn has recently warned that using currencies as a tool of economic policy can "lead to a very bad situation".

While the Coalition seems to be suggesting it would be prudent for Australia to follow America's lead in embracing a weaker currency, Treasurer Wayne Swann argues that the strong Aussie Dollar reflects Australia's underlying economic strength. The dilemma: what is more important, exports and foreign investment into Australia, or purchasing power and greater Australian investment overseas? The answer, not surprisingly, really depends on whom you ask.



Trading emissions - a long road, mixed progress

BHP Billiton chief executive Marius Kloppers stated recently that there is a need for a clear price signal on carbon emissions. He contends that carbon pricing is needed for Australia to move away from its heavy reliance on coal-fired electricity, and "failure to do so will place us at a competitive disadvantage in a future where carbon is priced globally".

But why is Australia, and the world, dithering on this issue? And what effect has a raft of treaties and commitments achieved over the last two decades?

The 1992 Earth Summit in Rio de Janeiro produced the United Nations Framework Convention on Climate Change (UNFCCC), an international treaty with the objective of stabilising greenhouse gas emissions. It came into effect in 1994, and currently has over 190 signatories.

In 1997 the parties to the Rio Treaty met in Kyoto and produced the Kyoto Protocols on Climate Change. Most industrialised countries agreed to legally binding emissions reduction targets of on average 6-8 per cent below 1990 levels. It took a change in government for Australia to ratify the treaty in 2007. The agreement expires in 2012.

The problem with the Kyoto Protocols is that targets placed on industrialised countries will likely limit global warming to no more than 2 degrees Celsius, which the International Panel on Climate Change (IPCC) contends is the acceptable outer limit.

The Kyoto Protocols also saw the introduction of the Clean Development Mechanism (CDM), a method by which industrialised countries can invest in accredited sustainability projects in developing countries and claim emissions reductions credits toward their national tally. To date \$20 billion worth of investment under this mechanism has been generated.

In December last year parties met in Copenhagen, where it was hoped an ambitious global agreement on emissions reductions would be established. Instead, a 'political accord' was produced, which does not include a global carbon trading scheme.

It is nevertheless now widely accepted that the most efficient way to reduce man-made carbon emissions is an international emissions trading market that would set a limit on total allowable carbon output, creating scarcity that would drive up the price for polluters. Putting a price on carbon in this way would mean the so-called 'invisible hand' of capitalism would shift resources to less polluting means of production, making renewable energy sources, such as solar and wind, economically viable. Importantly, putting a cap on total allowable output creates greater certainty that global warming can be limited.

In whatever way an international emissions trading market is structured, it would come at a cost to business, which of course has to have the motivation to adjust. Yet national self-interest dictates countries should try and achieve the greatest advantage (or at the very least avoid disadvantage), and because countries are at different stages of development, with differing means to tackle

the problem, how to distribute the burden has proven to be a continuing problem.

The net effect, at least at Copenhagen, was that agreement on such a scheme could not be reached. Other issues of contention included mechanisms for monitoring emissions output, methods to calculate emissions output, and what constitutes acceptable ways to capture and store emissions (i.e. carbon capture and sequestration).

Despite the lack of agreement, and hence the absence of a global price on carbon, it is salutary to note that few world leaders suggest doing nothing as an option. And although Australia's planned domestic Carbon Pollution Reduction Scheme (CPRS) has been delayed indefinitely, Prime Minister Julia Gillard has recently reaffirmed that "we need to put a price on carbon".

An analysis in a recent issue of the AIIA's Quarterly Access suggests that one method of dragging reluctant countries into an international emissions trading scheme would be for like minded nations to form a trading block which would put up trade barriers and tariffs in the name of climate change. It is not however a move supported by World Trade Organization Director-General Pascal Lamy, who described it as a "distant second-best to an international solution". The Australian government's 2008 Garnaut Report suggests that import taxes on those lines would lead to "a long period of uncertainty and trade frictions".

Toward the end of this year the parties to Kyoto will meet in Cancun, Mexico. Expectations are not high, but it is expected that some flesh (in the form of money) will be put on the skeleton discussed in Copenhagen.



Governance Of World Trade

What is the World Trade Organisation (WTO)?

The WTO currently has 150 members (accounting for 97 per cent of world trade) with 30 more negotiating entry. The WTO is the successor to the General Agreement on Tariffs and Trade (GATT) established in the wake of the Second World War. This multilateral trading system was developed through a series of negotiations, or rounds, the last of which—the 1986-94 Uruguay Round — led to the WTO's creation in 1995. The system, despite its flaws, has been a considerable success. Total trade in 2000 was 22-times the level of 1950. It is generally accepted that GATT and the WTO have helped create a strong and prosperous trading system contributing to unprecedented growth.

Initially, GATT focused on tariff reductions, but in later years negotiations included anti-dumping and other non-tariff measures. By the 1980s, however, the system needed a major overhaul which led to the Uruguay Round and the creation of the WTO.

The late 1990s saw tremendous progress in trade liberalisation under the WTO. In February 1997 agreement was reached on telecommunications services, with 69 governments agreeing to wide-ranging liberalisation measures that went beyond those agreed in the Uruguay Round. In the same year 40 governments successfully concluded negotiations for tariff-free trade in information technology products, and 70 members concluded a financial services deal covering more than 95 per cent of trade in banking, insurance, securities and financial information.

The WTO - committed to helping trade flow smoothly, freely, fairly and predictably - administers trade agreements, provides a forum for trade negotiations, settles trade disputes, reviews national trade policies, assists developing countries in trade policy issues—through technical assistance and training programmes—and cooperates with other international organisations.

The WTO's top decision-making body, the Ministerial Conference, meets at least every two years. Below this is the General Council which meets several times a year in the organisation's Geneva headquarters. The General Council also meets as the Trade Policy Review Body and the Dispute Settlement Body. At the next level, the Goods Council, Services Council and Intellectual Property Council report to the General Council. Numerous specialised committees, working groups and working parties deal with the individual agreements

and other areas such as the environment, development, membership applications and regional trade agreements.

The WTO Secretariat, based in Geneva, has around 600 staff and is headed by the director-general. Since decisions are taken by the members themselves, the Secretariat's role is limited to bureaucratic support. Its main duties are to supply technical support to the various councils, committees and ministerial conferences, to provide technical assistance to developing countries, to analyse world trade, and to explain WTO affairs to the public and media. It also provides some forms of legal assistance in the dispute settlement process and advises governments wishing to become members of the WTO.



What is the Doha Round?

In 2001, the WTO held a Ministerial Conference in Doha, Qatar. There negotiations were commenced among WTO members to further progress global trade liberalisation in agriculture, industrial products and services. The primary objectives were goal to reduce trade barriers and assist developing countries through trade liberalisation.

These negotiations were to commence in 1999, in Seattle, titled the Millennium Round, but were postponed due to mass demonstrations in that not so pacific Pacific coastal metropolis.

The Doha Development Agenda (DDA) negotiations have still not been concluded. Since 2001 there have been ministerial-

(2004, 2006, 2008, 2009), Paris (2005), Hong Kong (2005), and Potsdam (2007), and many lower-level meetings. Overall, it's been a confusing roller-coaster ride. Since 1999 negotiations have stalled, collapsed and been restarted several times.

Earlier in the year Australia's then Foreign Minister, Stephen Smith, signalled Australia would continue pushing to finalise the Doha round and promote trade liberalisation. Australia's key objective in the negotiations is to maximise market access outcomes for Australia in agriculture, services and industrial products. Agriculture will continue to be of central importance for Australia, which is committed to phasing out export and other subsidies.

Agriculture is also of central importance to many developing countries which, reasonably enough, want greater openness for the export of their produce to the lucrative markets of the northern hemisphere.

At the same time, some developing countries are wary of opening up their markets to global competition. A prime example of the problems in this area is the incompatibility of domestic policies in the US and India. The US is refusing to further reduce subsidies to farmers while India wants safeguards against unfair subsidised competition from the US. Even if disputes such as the US-India trade issue were resolved, to close the Doha round would require further concessions by major developing countries, plus concessions from the US and the EU over a range of issues.

Recently, however, there has been renewed optimism emanating from the US. Australia's new Trade Minister Craig Emerson stated, after top-level meetings with the Obama administration, that he believed the US is genuine in its commitment to revitalise the Doha trade talks, likely to be spearheaded by the Trans-Pacific Partnership.

Free Trade Agreements (FTA)

A draft report by the Productivity Commission suggests that gains from regional and bilateral trade agreements were exaggerated in rhetoric but modest in reality, according to the Age. The report argues that FTAs are not producing enough bang for their buck, and urges the government to pursue "alternative measures that could deliver similar or greater benefits at less cost". It also argues for simpler and sector specific agreements, such as a services-only FTA with the EU.

Negotiating FTAs might be a long and drawn out process, it has even been said that glaciers move faster, but there are tangible benefits to be gained, as the following descriptions of Australia's current FTAs suggest.



ASEAN-Australia-New Zealand FTA (AANZFTA)

Signed in February 2009, this is Australia's newest trade agreement, which came into force this year. ASEAN and New Zealand together account for 20 percent of Australia's total trade in goods and services, worth \$112 billion in 2008. It covers an area with a combined population of 600 million and an estimated GDP of US\$2.7 trillion. The agreement covers agricultural products, resources and industrial products, services, movements of persons, and investment. Tariff reductions in many cases start this year, but final tariff eliminations do not conclude until 2020 in most cases, Laos in 2023, Burma and Cambodia in 2024, and Indonesia in 2025.



Thailand-Australia FTA

Thai tariffs on virtually all goods imported from Australia were eliminated in 2010. This should bode well for Australian exporters who were faced with tariffs of up to 200 per cent. The agreement also addresses services and investment, where a lot of red tape has been eliminated.



Australia-United States FTA

This FTA became a big issue in the 2004 federal election. The Labour party under the leadership of Mark Latham contended that it could threaten the Pharmaceuticals Benefit Scheme, and only agreed to support the FTA if the Scheme was safeguarded.

This trade agreement has been criticised for taking Australia backward by, for example, extending copyright to 70 years, and not going far enough in opening up the US market to Australian agricultural products. That Australia continues to run a considerable trade deficit with the US also seems to indicate that this FTA has proved little advantage to Australia.

Nevertheless, proponents of the agreement point to the access Australian companies now get to US defence contacts and the preferential treatment Australians have when applying for working visas in the US.

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Australia-New Zealand Closer Economic Relations (CER)

Signed in 1983, the CER built on the earlier New Zealand Australia Free Trade Agreement signed in 1965. It has been recognised by the WTO as a model Free Trade Agreement, covering a wide range of trade issues and substantially all trans-Tasman trade in goods, including agricultural products, and services.

In addition these two countries have several other agreements that strengthen business ties, such as The Open Skies Agreement, which allows Australian and New Zealand international airlines to operate across the Tasman – and then beyond to third countries – without restriction. Other agreements include the Customs Cooperation Arrangement, which provides for cooperation to harmonise customs policies and procedures, assist in the prevention, investigation and repression of offences, and resolve problems of customs administration and enforcement, particularly in the Asia Pacific Region. They also include the Arrangement on Food Inspection Measures, which exempts all food traded between Australia and New Zealand, with the exception of that identified as ‘risk food’, from import inspection.



Australia-Chile FTA

This agreement entered into force last year and was Australia’s first FTA with a Latin American country. The Australia-Chile FTA immediately eliminates Chile’s tariffs on almost 92 per cent of tariff lines covering 97 per cent of goods currently traded. This includes Australian coal, meat, wine and key dairy exports plus all other industrial goods of interest to Australia.

While Australian exports to Chile are rising, up from \$857 million in 2007 to \$1.4 billion in 2008, Chile is not one of Australia’s major export destinations. However, with a stable political system and strong economic growth, Chile has proven itself to be a good place to invest. Australia is indeed the fourth-largest foreign investor in Chile, with around US\$3 billion of direct investment.

FTAs under negotiation



Australia-China FTA Negotiations

In 2005, Australia and China agreed to commence negotiations on a Free Trade Agreement (FTA) following consideration of a joint FTA Feasibility Study, which concluded that there would be significant economic benefits for both Australia and China through the negotiation of an FTA.

Although both parties contend that positive progress is being made, five years and 15 rounds of negotiations later no date has been set to conclude negotiations.

The Department of Foreign Affairs and Trade (DFAT) continues to welcome submissions from individuals and groups on issues relevant to the negotiation of an FTA with China. For more information visit the DFAT website.



Australia-Gulf Cooperation Council (GCC) FTA Negotiations

Free trade negotiations with the Gulf Cooperation Council commenced in 2007. The GCC comprises Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. As a single market, the GCC is Australia’s ninth-largest merchandise export market, worth \$8 billion in 2008.

The fourth round of negotiations was held in 2009 in Muscat, Oman, but only modest progress has been achieved.

While both sides have agreed to work in a range of areas of the FTA in order to facilitate negotiations at the next round, the timing is yet to be determined and will depend largely on the ability of the GCC to table a comprehensive goods market access offer.

The Department of Foreign Affairs and Trade (DFAT) would welcome submissions from individuals and groups on issues relevant to the negotiation of an FTA with the GCC. For more information visit the DFAT website.



Australia-Japan FTA Negotiations

Negotiations on the Australia-Japan Free Trade Agreement commenced in 2007 following the conclusion of a joint government study on the feasibility of a bilateral FTA. The study concluded that a comprehensive and WTO-consistent FTA between Australia and Japan would bring significant benefits to both countries.

The eleventh round of negotiations on the Australia-Japan Free Trade Agreement (FTA) was held in Canberra in April this year. Yet while trade in services and the movement of natural persons (covering temporary entry of business people into Australia or Japan for work purposes) are largely agreed upon, some issues remain.

Progress is being made in telecommunications and progress has been made in the investment industry. Outstanding issues include performance requirements and minimum standard of treatment obligations, plus the inclusion of an Investor-State Dispute Settlement (ISDS) mechanism.

One of Australia’s key objectives is greater access to the Japanese market for its agricultural goods, but Japan’s agricultural sector is highly subsidised and protected with incentives for small scale cultivation. Any major changes to this arrangement would in all probability cause a domestic backlash in Japan.

Positive progress has, however, been made on government procurement, improving the business environment, intellectual property, institutional issues, competition policy and electronic commerce.

The Department of Foreign Affairs and Trade (DFAT) continues to welcome submissions from individuals and groups on issues relevant to the negotiation of an FTA with Japan. For more information visit the DFAT website.



Australia-Korea FTA Negotiations

Negotiations were launched last year by former Prime Minister Kevin Rudd and the President of the Republic of Korea (ROK), Lee Myung-bak.

The sixth round of negotiations was held in August this year in Seoul. Commentators suggest there is a high likelihood of negotiations being concluded this year and in fact Australia is in a race with the US and the EU, which are also negotiating free trade agreements with Korea. The US and EU pose significant competition for Australia's agricultural exports.

The Department of Foreign Affairs and Trade (DFAT) welcomes submissions from individuals and groups on the expected economic, regional, social, cultural, regulatory and environmental impacts of an FTA with Korea. For more information visit the DFAT website.



Australia-Malaysia FTA Negotiations

Australia Malaysia free trade negotiations commenced in 2005, but were put in hold in early 2007 in order for both sides focus on the ASEAN-Australia-New Zealand FTA. In late 2008 negotiations re-commenced.

Malaysia is an important economic partner and regional neighbour for Australia. It ranks as our third largest trading partner in ASEAN and our eleventh largest trading partner overall. Two-way goods and services trade between our two countries has grown steadily in recent years and in 2008-09 stood at \$14.7 billion.

New Zealand has signed a bilateral FTA with Malaysia which came into effect on August 1 this year. A few days later the sixth round of negotiations were held in Canberra between Australia and Malaysia. A bilateral FTA with Malaysia would be in addition to the ASEAN-Australia-New Zealand FTA.

The Department of Foreign Affairs and Trade continues to welcome submissions from individuals or groups on issues relevant to the negotiation of an FTA with Malaysia.

In particular, information is sought on specific market access or other issues that affect trade and investment. Stakeholder submissions and comments will inform continued development of the Australian Government's negotiating position and approach to the negotiations. For more information visit the DFAT website.



Pacific Agreement on Closer Economic Relations (PACER) Plus

In August 2009, Pacific Islands Forum Leaders agreed at their fortieth meeting to commence negotiations on PACER Plus. It was also agreed that Fiji's military regime would not participate but would be kept informed on proceedings.

Australia's key objective is not necessarily to gain greater market access to Pacific nations, but rather it is to help the Forum Island countries promote their own sustainable economic development.

The Department of Foreign Affairs and Trade continues to welcome public submissions and comments on Australia's participation in PACER Plus negotiations. For more information visit the DFAT website.



Trans-Pacific Partnership Agreement

In August 2009, Pacific Islands Forum Leaders agreed at their fortieth meeting to commence negotiations on PACER Plus. It was also agreed that Fiji's military regime would not participate but would be kept informed on proceedings.

Australia's key objective is not necessarily to gain greater market access to Pacific nations, but rather it is to help the Forum Island countries promote their own sustainable economic development.

The Department of Foreign Affairs and Trade continues to welcome public submissions and comments on Australia's participation in PACER Plus negotiations. For more information visit the DFAT website.

Meeting the right people

Sporting events

The place of sport in the mix is interesting. From the World Cup to the AFL Grand Final, sporting events around the world are increasingly used for the purpose of making useful encounters easy. The many advantages involved in utilising sporting events for business networking purposes has been recognised by Austrade, which established Business Club Australia, first developed around the Sydney Olympic Games in 2000. Since then, Business Club Australia claims to have engaged 36,500 business people and helped generate \$1.7 billion in export outcomes.

Following on from its earlier successes, in October, during the Commonwealth Games in Delhi, Business Club Australia ran 22 events over 11 days, covering key industry sectors such as advanced manufacturing, agribusiness, building and construction, clean energy, education, financial services and mining.

Summits and conferences

Perhaps the easiest way to rub shoulders with the right people is to attend a conference. The World Economic Forum's Annual Meeting in Davos might be an 'invitation only' event but there are a plethora of prestigious conferences where registration is a lot easier.

Last month's 'Australia Unlimited Summit' held in Melbourne was a good example of such an opportunity. Australia Unlimited, which is also the slogan of Austrade's latest publicity campaign, is the Global Foundation's premier event. This two-day summit, held every 18 months, has been growing in reputation; participants this year included current and past political leaders, as well as foreign diplomats, corporate leaders, and representatives of NGOs and the media.

There are, of course, plenty of conferences with a global economic and trade focus

worth attending the year round. Only a month ago the World Economic Forum's Annual Meeting of New Champions met in Dalian, China. First held in 2007, this is one of the Forum's several smaller summits held around the world. With a focus on Asia, participants of the Meeting of New Champions include leaders from government, business and academia.

Held toward the start of each year in Boao, China, is the 'Boao Forum For Asia' Annual Conference. Heralded as the most prestigious and premier forum for leaders in government, business and academia in Asia, the Forum offers an extensive program over four days. Initiated in 1998 by Fidel V. Ramos, former President of the Philippines, Bob Hawke, and Morihiro Hosokawa, former Prime Minister of Japan, the Boao Forum was formally inaugurated in February 2001.

Economic Cooperation Agreements (ECA)

A Free Trade Agreement (FTA) tends to produce winners and losers. At the very least the aim of an FTA is to eliminate trade barriers. In the main, this occurs by reducing tariffs between signatories down to zero, or at least close to. Difficult and often protracted negotiations of FTAs are due to the fact that some industries will benefit from an FTA while others will suffer from it.

When a developed country and a developing country sign an FTA, for example, the developing country will have much lower labour costs giving that country a comparative advantage in labour intensive industries, such as manufacturing and many types of agricultural production, while the developed country's comparative advantage tends to lie in having vast amounts of capital.

Economic Cooperation Agreements (ECAs), on the other hand, attempt to achieve win-win solutions. Trade liberalisation may play a part in that, but, as a research paper by the ANU's Australia-Japan Research Centre suggests, opportunities also include the "mutually beneficial exchange of information, experience, expertise and technology needed for sustainable development; improvements in transport, communications and energy links; and the facilitation of trade and investment by mutual recognition or harmonisation of economic regulations."

It is otherwise quite difficult to define ECAs, since depending on the signatories and stated aims of the agreement they can take on very different forms. Perhaps the first ECA was the Breton Woods system. Its stated aim was the establishment of rules, institutions, and procedures to regulate the international monetary system, including the harmonisation of currency exchange. This agreement produced two institutions, the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (World Bank) which were to both develop into the World Bank Group.



Asia Pacific Economic Cooperation (APEC)

Frustrated by the lack of economic cooperation across the Pacific Rim, Prime Minister Bob Hawke in 1989 proposed a meeting of ministers, which led to the first APEC meeting later that year in Canberra. The first APEC Leaders meeting was held in 1993 in the USA. In 1995 the APEC Business Advisory Council was established, which provides an annual report to APEC economic leaders containing recommendations to improve the business and investment environment in the region, and outlines business views about priority regional issues.

APEC members account for approximately 40 per cent of the world's population, approximately 54 per cent of world GDP and about 44 per cent of world trade. When APEC was established in 1989 average trade barriers in the region stood at 16.9 per cent, but were reduced to 5.5 per cent by 2004. Between 2002-2006 the costs of business transactions across the region were reduced by 6 per cent, thanks to the APEC Trade Facilitation Action Plan.

While economic cooperation has always been the focal point of APEC, there is also a political dimension to the regular APEC Leaders meetings. For example, at the 2007 APEC Leaders meeting in Sydney, a number of environmental goals were set out and affirmed.

Who can help with what?

Austrade – Australian Trade Commission

Established under the Australian Trade Commission Act 1985, Austrade's principle objective is to enhance Australia's national prosperity through exploiting international business opportunities.

At the individual enterprise level, Austrade is a client oriented organisation that can help with the needs of the many individual businesses, including Australian exporters,

international investors, buyers and partners.

This support can range from coaching and sharing knowledge, to setting up business meetings.

DFAT – Department of Foreign Affairs and Trade

DFAT is the principle diplomatic agency of the Australian government, maintaining

diplomatic relations through representatives around the world.

DFAT is perhaps best known in the community for giving travel advice for tourist and business destinations around the world. These advisories are updated regularly and are available on their website (www.dfat.gov.au).

It has a duty to help distressed Australians travelling overseas, such as if a family member goes missing in a foreign country, DFAT would ring the local hospitals for you in the local language and help you search.

Affiliated cities

All Australian capitol cities are affiliated with sister cities for the purpose of social, educational, and business exchanges. Melbourne has also joined the Business Partner Cities Network, which has the aim of facilitating business interaction within the Asia-Pacific region and contributing to mutual economic development of each member city. Particular emphasis is placed on creating opportunities for small- to medium-sized enterprises to establish links with their counterparts throughout the network.

Melbourne's sister cities

Boston, Osaka, Tianjin, St. Petersburg, Milan, Thessaloniki

Melbourne business partner cities

Mumbai, Bangkok, Shanghai, Manila, Hong Kong, Ho Chi Min City, Kuala Lumpur, Singapore, Jakarta

Australian ambassadors and commissioners

Ambassador to Afghanistan

Mr. Paul Foley

Ambassador to Argentina

Mr. John Richardson

Ambassador to Austria

Mr. Michael Potts

High Commissioner to Bangladesh

Dr. Justin Lee

Ambassador to the European Communities, Belgium and Luxembourg, located in Brussels

Dr. Brendan Nelson

Deputy head of Mission, Belgium

Ms. Rhonda Piggott

Ambassador to Brazil

Mr. Neil Mules

High Commissioner to Brunei Darussalam

Mr. Mark Sawers

Ambassador to Burma

Ms. Michelle Chan

Ambassador to Cambodia

Ms. Margaret Adamson

High Commissioner to Canada

Mr. Justin Brown

Ambassador to Chile

Ms. Virginia Greville

Ambassador to China

Dr. Geoff Raby

Deputy Head of Mission, China

Mr. Graeme Meehan

Consul-General in Hong Kong, China

Mr. Les Luck

Consul-General in Shanghai, China

Mr. Tom Connor

Consul-General in Guangzhou, China

Mr. Grant Dooley

Ambassador to Croatia

Ms. Beverley Mercer

High Commissioner to Cyprus

Mr. Evan Williams

Ambassador to Denmark

James Choi

Ambassador to East Timor

Mr. Peter Heyward

Ambassador to Egypt

Ms. Stephanie Shwabsky

High Commissioner to Fiji

Mr. James Batley

Ambassador to France

Mr. David A. Ritchie

Ambassador to Germany

Mr. Peter Tesch

High Commissioner to Ghana

Mr. Billy Williams

Ambassador to Greece

Mr. Jeremy Newman

Ambassador to Holy See

Mr. Tim Fischer

Ambassador to Hungary

Mr. Alex Brooking

High Commissioner to India

Mr. Peter Varghese

Deputy Head of Mission, India

Mr. Lachlan Strahan

Ambassador to Indonesia

Mr Bill Farmer AO

Deputy Head of Mission, Indonesia

Mr. Paul Robilliard

Consul-General in Bali, Indonesia

Mr. Lex Bartlem OAM

Ambassador to Iran

Mr. Mark Innes-Brown

Ambassador to Iraq

Mr. Bob Tyson

Ambassador to Ireland

Mr. Bruce Davis

Ambassador to Israel, located in Tel Aviv

Ms. Andrew Faulkner

Ambassador to Italy

Ms. Amanda Vanstone

Ambassador to Japan, located in Tokyo

Mr. Murray McLean OAM

Deputy Head of Mission, Japan, located in Tokyo

Dr. Brendon Hammer

Ambassador to Jordan

Mr. Glenn White

High Commissioner to Kenya

Ms. Lisa Filipetto

High Commissioner to Kiribati

Mr. Brett Aldam

Ambassador to Korea (Republic of)

Mr. Jeff Robinson

Ambassador to Kuwait

Mr. Glenn Miles

Ambassador to Laos, Located in Vientiane

Dr. Michelle Forster

Charge d'affaires, Lebanon, located in Beirut**Ambassador to Federated States of Micronesia**

Ms. Susan Cox

Charge d'affaires, Malaysia, located in Kuala Lumpur

Mr. Craig Chittick

High Commissioner to Malta

Ms. Anne Quinane

High Commissioner to Mauritius

Ms. Cathy Johnstone

Ambassador to Mexico

Ms. Katrina Cooper

Ambassador to Nepal

Ms. Susan Grace

Ambassador to Netherlands

Ms. Lydia Morton

High Commissioner to New Zealand

Mr. Paul O'Sullivan

Deputy Head of Mission, New Zealand

Ms. Amanda Gorely

Charge d'affaires, Nigeria, located in Abjua

Ms. Jo Adamson

Consul-General in Noumea, New Caledonia

Ms. Anita Butler

Permanent Representative to the OECD to Paris

Mr. Christopher Langman

High Commissioner to Papua New Guinea

Mr. Ian Kemish

Deputy Head of Mission, Papua New Guinea

Mr. John Feakes

High Commissioner to Pakistan

Mr. Timothy George

Ambassador to Philippines

Mr. Rod Smith

Deputy Head of Mission, Philippines

Mr. Stephen Scott

Ambassador to Poland

Ms. Ruth Pearce

Ambassador to Portugal

Mr. Patrick Lawless

Ambassador to Russia

Ms. Margaret Twomey

High Commissioner to Samoa

Mr. Matt Anderson

Ambassador to Saudi Arabia

Mr. Kevin Magee

Ambassador to Serbia

Ms. Clare Birgin

High Commissioner to Singapore

Mr. Doug Chester

Deputy Head of Mission, Singapore

Ms. Penny Burt

High Commissioner to Solomon Islands

Mr. Frank Ingruber

Special Coordinator of the Regional Assistance Mission to Solomon Islands

Mr. Graeme Wilson

High Commissioner to South Africa

Ms. Ann Harrap

Ambassador to Spain

Ms. Zorica McCarthy

High Commissioner to Sri Lanka

Ms. Kathy Klugman

Ambassador to Sweden

Mr. Paul Stephens

Representative, ACIO, Taiwan

Ms. Alice Cawte

Ambassador to Thailand

Mr. Paul Grigson

Deputy Head of Mission, Thailand

Mr. Simon Farbenbloom

High Commissioner to Tonga

Mr. Bruce Hunt

High Commissioner to Trinidad and Tobago

Mr. Phillip Kentwell

Ambassador to Turkey

Mr. Peter Doyle

Ambassador to United Arab Emirates

Mr. Doug Trappett

High Commissioner to United Kingdom

Mr. John Dauth LVO

Deputy Head of Mission, United Kingdom

Mr. Adam McCarthy

Ambassador and Permanent Representative to the United Nations and to the Conference on Disarmament, Geneva
Mr. Peter Woolcott

Ambassador and Permanent Representative to the United Nations, New York
Mr. Gary Quinlan

Deputy Head of Mission, United Nations, New York
Mr. Andrew Goledzinowski AM

Ambassador to the United States of America
The Hon Kim Beazley AC

Deputy Head of Mission, United States of America
Mr. David Stuart

Consul-General in Los Angeles, United States of America
Mr. Chris De Cure

Consul-General in New York, United States of America
Mr. Phillip Scanlan AM

Consul-General in Chicago, United States of America
Ms. Elizabeth Schick

Consul-General in Honolulu, United States of America
Mr. David Binns

High Commissioner to Vanuatu
Mr. Pablo Kang

Ambassador to Vietnam
Mr. Allaster Cox

Consul-General in Ho Chi Minh City, Vietnam
Mr. Graeme Swift

Ambassador and Permanent Representative to the WTO, in Switzerland, located in Geneva
Mr. Tim Yeend

Ambassadors to Australia

Afghanistan
His Excellency Dr. Amanullah Jayhoon
Ambassador
Embassy of the Islamic Republic of Afghanistan

Albania
Honorary Consul-General in SA

Algeria
Mr Brahim Lenemar
Charge d' Affaires a.i
Embassy of the People's Democratic Republic of Algeria

Argentina
His Excellency Pedro R. Villagra Delgado
Ambassador
Embassy of the Argentine Republic
Consul-General in NSW

Austria
His Excellency Dr. Hannes Porias
Ambassador
Embassy of Austria
Consul-Generals in NSW, QLD & VIC, Consuls in SA, TAS & WA

Bangladesh
His Excellency Lt Gen. Masud Chowdhury
High Commissioner
High Commission of the People's Republic of Bangladesh
Honorary Consul-Generals in NSW & WA

Barbados
Honorary Consul-General in NSW

Belgium
His Excellency Patrick Renault
Ambassador
Royal Belgium Embassy
Honorary Consuls in NSW, NT, QLD, SA, TAS, VIC & WA

Belize
Honorary Consul in NSW

Bhutan
Honorary Consul in NSW

Bolivia
Honorary Consul in NSW

Bosnia and Herzegovina
Mr Momcilo Vukovic
Charge d' Affaires a.i
Embassy of Bosnia & Herzegovina

Botswana
His Excellency Molosiwa Selepeng
High Commissioner
High Commission of the Republic of Botswana
Honorary Consuls in NSW, QLD, VIC and WA

Brazil
His Excellency Fernando De Mello Barreto
Ambassador
Embassy of the Federative Republic of Brazil
Consul-General in NSW, Honorary Consuls in QLD, SA, VIC & WA

Brunei Darussalam
His Excellency Adnan Jaafar
High Commissioner
High Commission of Brunei Darussalam

Bulgaria
His Excellency Krassimir Stefanov
Ambassador
Embassy of Bulgaria

Cambodia
His Excellency Chum Sounry
Ambassador
Royal Embassy of Cambodia

Canada
His Excellency Michael Leir
High Commissioner
Canadian High Commission
Consul-General in NSW, Honorary Consuls in VIC & WA

Chile
His Excellency Jose Luis Balmaceda
Ambassador
Embassy of the Republic of Chile
Consul-Generals in NSW & VIC, Honorary Consuls in QLD, TAS & WA

China
His Excellency Zhang Junsai
Ambassador
Embassy of the People's Republic of China
Consul-Generals in NSW, QLD, VIC & WA

Colombia
His Excellency Diego Betancur
Ambassador
Embassy of the Republic of Colombia
Honorary Consul in QLD, Consul in NSW

Cook Islands
Honorary Consul in NSW

Costa Rica
Honorary Consul-General in NSW

Croatia
His Excellency Vicencije Biuk
Ambassador
Embassy of the Republic of Croatia
Consul-Generals in NSW & VIC, Consul in WA

Cuba
His Excellency Abelardo Curbelo Padron
Ambassador
Embassy of the Republic of Cuba
Consul-General in NSW

Cyprus
His Excellency Yannis Iacovou
High Commissioner
High Commission of Cyprus

Czech Republic
Mr Radim Pecl
Charge d'Affaires a.i.
Embassy of the Czech Republic
Honorary Consul-General in VIC, Consul-General in NSW and Honorary Consuls in SA, TAS & WA

Denmark
Her Exc. Susanne Wagner Hoffmann Shine
Ambassador
Royal Danish Embassy
Honorary Consul-General in VIC, Consul-General in NSW and Honorary Consuls in NT, QLD, SA, TAS & WA

Dominican Republic
Honorary Consuls in NSW, SA & VIC

Ecuador
His Excellency Raul Gangotena Rivadeneira
Ambassador
Embassy of the Republic of Ecuador

Consul-General in NSW, Honorary Consuls in SA, VIC & WA

Egypt
His Excellency Omar Metwally
Ambassador
Embassy of the Arab Republic of Egypt
Consul-Generals in NSW & VIC

El Salvador
Consul-General in VIC

Eritrea
Consul in VIC

Estonia
Honorary Consul-General in NSW, Honorary Consul in TAS & WA

Ethiopia
Honorary Consul-General in VIC

European Union
His Excellency David Daly
Ambassador
Delegation of the European Union

Fiji
Mr Om Prakash Goundar
Second Secretary
High Commission of the Republic of the Fiji Islands
Consul-General in NSW, Honorary Consuls in SA & VIC

Finland
Mrs Maija Lahteenmaki
Ambassador
Embassy of Finland
Honorary Consul-General in VIC, Honorary Consuls in NT, QLD, SA, TAS and WA, Consul in NSW

France
His Excellency Michel Filhol
Ambassador
Embassy of France
Honorary Consul-General in VIC, Consul-General in NSW, Honorary Consuls in NT, QLD, SA, TAS & WA

Gabon
Consulate in NSW

Georgia
Honorary Consul-General in NSW

Germany

His Excellency Dr Michael Witter
Ambassador
Embassy of the Federal Republic of
Germany
Consul-Generals in NSW & VIC,
Honorary Consuls in NT, QLD, SA,
TAS & WA

Ghana

His Excellency Paul Essel
High Commissioner
High Commission of the Republic
of Ghana
Honorary Consul-General in NSW,
Honorary Consul in WA

Greece

His Excellency Alexios
Christopoulos
Ambassador
Embassy of Greece
Honorary Consul-General in NT,
Consul-Generals in NSW, SA &
VIC, Honorary Consuls in NSW,
QLD & TAS, Consul in WA

Guatemala

Honorary Consuls in NSW & SA

Haiti

Honorary Consul in NSW

Hungary

His Excellency Gabor Csaba
Ambassador
Embassy of the Republic of Hungary
Honorary Consul in QLD, SA, VIC
& WA

Iceland

Honorary Consul-General in NSW
& VIC, Consulate-General in ACT

India

Her Excellency Sujatha Singh
High Commissioner
High Commission of India
Consul-Generals in NSW & VIC,
Honorary Consuls in QLD & WA

Indonesia

His Excellency Primo Alui Joelianto
Ambassador
Embassy of the Republic of
Indonesia
Consul-Generals in NSW, VIC &
WA, Honorary Consul in SA, Consul
in NT

Iran

Mr Gholamali Rajabi Yazdi
Charge d'Affaires a.i.
Embassy of the Islamic Republic
of Iran

Iraq

Dr Ahmed Kassim Saleh Saleh
Charge d'Affaires a.i.
Embassy of the Republic of Iraq
Deputy Consul-General in NSW

Ireland

His Excellency Máirtín Ó Fainin
Ambassador
Embassy of Ireland
Honorary Consul-General in WA,
Consul-General in NSW

Israel

His Excellency Yuval Rotem
Ambassador
Embassy of Israel

Italy

His Excellency Gian Ludovico de
Martino di Montegiordano
Ambassador
Embassy of Italy
Consul-Generals in NSW & VIC,
Consuls in QLD, SA & WA,
Honorary Consul in TAS, Honorary
Vice-Consul in NT

Jamaica

Honorary Consul in NSW

Japan

His Excellency Takaaki Kojima
Ambassador
Embassy of Japan
Honorary Consul-Generals in NT,
SA & TAS, Consul-Generals in
QLD, VIC & WA, Deputy Consul-
General in NSW

Jordan

His Excellency Rajab Sukayri
Ambassador
Embassy of the Hashemite Kingdom
of Jordan

Kazakhstan

Honorary Consul in WA

Kenya

His Excellency Stephen Tarus
High Commissioner
High Commission of the Republic
of Kenya

Kiribati

Honorary Consul-General in NSW

Korea - Republic of Korea

His Excellency Dr. Kim Woosang
Ambassador
Embassy of the Republic of Korea
Consul-General in NSW, Honorary
Consul in TAS

Kuwait

His Excellency Jamal Al-Ghunaim
Ambassador
Embassy of the State of Kuwait

Laos

His Excellency Rangsy Kongsaysy
Ambassador
Embassy of the Lao People's
Democratic Republic
Honorary Consul in WA

Latvia

Honorary Consuls in NSW, QLD,
SA, VIC & WA

Lebanon

His Excellency Dr. Jean Daniel
Ambassador
Embassy of Lebanon
Consul-Generals in NSW & VIC,
Honorary Consuls in QLD & SA

Lesotho

Honorary Consul-General in NSW

Libya

Dr Abdella Ben Fadel
Charge d'Affaires a.i
Libyan People's Bureau

Lithuania

Honorary Consul-General in VIC

Luxembourg

Honorary Consul-General in NSW

Macedonia

His Excellency Pero Stojanovski
Ambassador
Embassy of the Republic of
Macedonia
Consul-General in VIC, Honorary
Consuls in NSW & WA

Madagascar

Honorary Consul-General in NSW

Malaysia

His Excellency Salman Ahmad
High Commissioner
High Commission of Malaysia
Consul-General in WA, Honorary
Consuls in QLD & SA, Consul in
NSW

Maldives

Honorary Consul-General in VIC

Mali

Honorary Consuls in VIC & WA

Malta

His Excellency Francis Tabone
High Commissioner
High Commission of Malta
Consul-Generals in NSW & VIC,
Honorary Consuls in QLD, SA &
WA

Mauritius

Her Excellency Mrs Marie Roussety
High Commissioner
High Commission of the Republic of
Mauritius
Honorary Consuls in QLD, SA &
VIC

Mexico

Her Excellency Mrs Beatriz Lopez
Gargallo
Ambassador
Embassy of Mexico
Honorary Consuls in NT, QLD &
VIC

Monaco

Honorary Consul in VIC

Mongolia

His Excellency Jambaldorj
Tserendorj
Ambassador
Embassy of Mongolia
Honorary Consul-General in NSW

Morocco

His Excellency Mohamed Mael-
Ainin
Ambassador
Embassy of the Kingdom of
Morocco
Honorary Consul-General in NSW

Mozambique

Honorary Consul-General in NSW

Myanmar

His Excellency Hla Myint
Ambassador
Embassy of the Union of Myanmar

Namibia

Honorary Consul-General in NSW

Nauru

Consul-General in QLD

Nepal

His Excellency Yogendra Dhakal
Ambassador
Embassy of Nepal
Honorary Consul-General in QLD,
Honorary Consuls in NSW & VIC

Netherlands

His Excellency Willem Andreae
Ambassador
Embassy of the Kingdom of the
Netherlands
Consul-General in NSW, Honorary
Consuls in QLD, SA, TAS, VIC &
WA

New Zealand

His Excellency Dr John Larkindale
High Commissioner
New Zealand High Commission
Consul-Generals in NSW, QLD &
VIC

Nigeria

His Excellency Prof S Olu Agbi
High Commissioner
High Commission of the Federal
Republic of Nigeria

Norway

Her Excellency Mrs Siren Eriksen
Ambassador
Royal Norwegian Embassy
Honorary Consul-Generals in NSW
& VIC, Honorary Consuls in NT,
QLD, SA, TAS & WA

Oman

Consul-General in VIC

Pakistan

Miss Fauzia Nasreen
High Commissioner-designate
High Commission of Pakistan
Consul-General in NSW, Honorary
Consul in WA

Panama

Honorary Consul-General in NSW

Papua New Guinea

His Excellency Charles Lepani
High Commissioner
High Commission of Papua New
Guinea
Consul-Generals in NSW & QLD

Paraguay

Consul-General in VIC

Peru

His Excellency Claudio de la Puente
Ambassador
Embassy of the Republic of Peru
Consul-General in NSW, Honorary
Consuls in QLD & VIC

Philippines

His Excellency Ernesto H de Leon
Ambassador
Embassy of the Philippines
Honorary Consul-Generals in NT,
QLD, TAS, VIC & WA, Consul-
General in NSW

Victorian Government Business Offices

Each state has representation overseas, which helps to build export opportunities for local businesses.

For illustrative purposes, the following is a list of representatives from the Victorian Government.

Melbourne, Australia

Mr. Simon Woolmer
Acting Executive Director

Hong Kong, China

Mr. Allen Kwok
Investment Manager

Nanjing, China

Ms. Jason Li
Investment Manager

Shanghai, China

Mr. Patrick Stringer
Commissioner

Frankfurt, Germany

Mr. Andre Haermeyer
Commissioner

Bangalore, India

Mr. Geoffrey Conaghan
Commissioner

Tokyo, Japan

Ms. Prue Holstein
Commissioner

Kuala Lumpur, Malaysia

Mr. Tim Dillon
Commissioner

Dubai, United Arab Emirates

Mr. John Butler
Commissioner

London, United Kingdom

Ms. Sally Capp
Agent General

Chicago, United States

Mr. Jason Li
Investment Manager

New York, United States

Dr. Simon Guttmann
Investment Manager

San Francisco, United States

Mr. Victor Perton
Commissioner

Poland

His Excellency Andrzej Jaroszynski
Ambassador
Embassy of the Republic of Poland
Consul-General in NSW, Honorary
Consuls in NT, QLD, SA & VIC

Portugal

Mr Joao De Castro Soares
Charge d'Affaires a.i.
Embassy of Portugal
Consul-General in NSW, Honorary
Consuls in NT, QLD, SA, VIC &
WA

Romania

His Excellency Mihai Stuparu
Ambassador
Embassy of Romania
Consul-General in NSW, Honorary
Consul in VIC

Russia

His Excellency Alexander Blokhin
Ambassador
Embassy of the Russian Federation
Consul-General in NSW, Honorary
Consuls in QLD & SA

Rwanda

Honorary Consul-General in VIC

Samoa

His Excellency Lemalu Simi
High Commissioner
High Commission of Samoa

San Marino

Honorary Consul-General in VIC

Saudi Arabia

His Excellency Hassan Nazer
Ambassador
Royal Embassy of Saudi Arabia

Senegal

Honorary Consul-General in VIC

Serbia

Mr Dusan Vukasinovic
Charge d' Affaires a.i
Embassy of the Republic of Serbia
Consul-General in NSW

Seychelles

Honorary Consul-General in VIC

Singapore

His Excellency Albert Chua
High Commissioner
High Commission of the Republic of
Singapore

Slovakia

Her Excellency Mrs Eva
Ponomarenkova
Ambassador
Embassy of the Slovak Republic
Honorary Consuls in QLD & VIC

Slovenia

Mrs Mojca Nemeč Van Gorp
Charge d'Affaires a.i
Embassy of the Republic of Slovenia
Honorary Consul-General in NSW

Solomon Islands

His Excellency Victor Ngele
High Commissioner
Solomon Islands High Commission
Honorary Consuls in NSW, QLD
& VIC

South Africa

His Excellency Lenin Shope
High Commissioner
South African High Commission
Honorary Consuls in SA, VIC & WA

Spain

His Excellency Carlos Sanchez de
Boado y de la Valgoma
Ambassador
Embassy of Spain
Consul-Generals in NSW & VIC,
Honorary Consuls in NT, QLD, SA
& WA

Sri Lanka

His Excellency Senaka Walgampaya
PC
High Commissioner
High Commission of the Democratic
Socialist Republic of Sri Lanka
Consul-General in NSW, Honorary
Consuls in QLD, SA, VIC & WA

Sweden

His Excellency Sven-Olof Petersson
Ambassador
Embassy of Sweden
Honorary Consul-General in NSW,
Honorary Consuls in NT, QLD, SA,
TAS & WA

Switzerland

His Excellency Daniel Woker
Ambassador
Embassy of Switzerland
Consul-General in NSW, Honorary
Consuls in NT, QLD, SA, TAS, VIC
& WA

Syria

His Excellency Tammam Sulaiman
Ambassador
Embassy of the Syrian Arab
Republic

Tanzania

Honorary Consuls in VIC & WA

Thailand

Mrs Ploenpit Meemeskul
Charge d'Affaires a.i
Royal Thai Embassy
Honorary Consul-Generals in QLD,
SA, VIC & WA, Consul-General in
NSW, Honorary Consul in TAS

Timor-Leste

Mr Jorge Camoes
Charge d'Affaires a.i
Embassy of the Democratic Republic
of Timor-Leste
Honorary Consul-General in VIC,
Honorary Consul in TAS, Consul
in NSW

Tonga

HRH The Crown Prince Tupouto'a
Lavaka
High Commissioner
High Commission of the Kingdom
of Tonga
Honorary Consul-General in NSW

Turkey

His Excellency Ouz Zge
Ambassador
Embassy of the Republic of Turkey
Consul-Generals in NSW & VIC,
Honorary Consuls in QLD, SA &
WA

Tuvalu

Honorary Consul-General in NSW

Uganda

His Excellency Dr Christopher
Lukabyo
High Commissioner
High Commission of the Republic
of Uganda
Honorary Consul in NSW

Ukraine

His Excellency Valentyn
Adomaytis
Ambassador
Embassy of Ukraine
Honorary Consul in VIC

United Arab Emirates

His Excellency Saeed Mohammed
Al Shamsi
Ambassador
Embassy of the United Arab
Emirates

United Kingdom

Her Excellency Baroness Valerie
Amos
High Commissioner
British High Commission
Consul-Generals in NSW & VIC,
Head of Post in WA & QLD,
Honorary Consuls in NT, QLD, SA
& TAS

United States of America

His Excellency Jeffrey Bleich
Ambassador
Embassy of the United States of
America
Consul-Generals in NSW, VIC &
WA

Uruguay

His Excellency Alberto Fajardo
Ambassador
Embassy of Uruguay
Consul-General in NSW, Honorary
Consul in VIC

Vanuatu

Honorary Consul in NSW

Venezuela

Mr Nelson Davila-Lameda
Ambassador-designate
Embassy of the Bolivarian Republic
of Venezuela

Vietnam

Mr Vinh Thanh Hoang
Ambassador
Embassy of the Socialist Republic of
Vietnam
Consul-General in NSW

Yemen

Honorary Consul-General in NSW

Zimbabwe

Ms Jacqueline Nomhle Zwambila
Ambassador
Embassy of the Republic of
Zimbabwe



Global trade would be difficult without containerisation

The shipping container stands out as an icon of globalisation. According to the WTO, world trade has grown twenty-seven fold in volume since 1950, three times faster than world output growth.

Malcolm McLean is often heralded as the father of containerisations. The American trucking entrepreneur acquired a steam ship company in 1955, which he renamed Sea Land Services in 1960, as well as a sea freight terminal. After making these purchases he had truck trailers re-engineered so that they could be loaded directly from the truck to the ship.

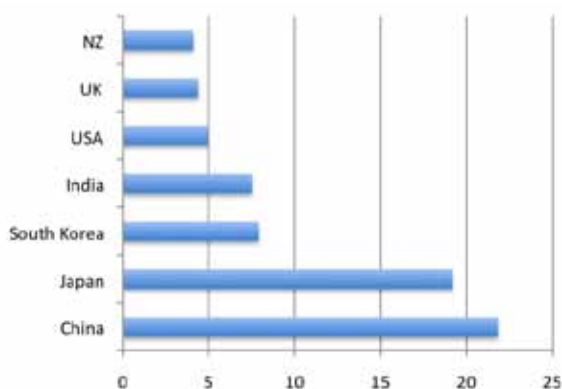
Prior to containerisation, cargo was unloaded and re-loaded, crate by crate, barrel by barrel, each time the mode of transport changed. It took days or weeks to load a ship. Today, the same volume can be loaded in hours.

McLean and his engineers developed a container 8 feet tall and 8 feet wide; which was to become the standard the world

over within a decade. Within fifteen years he would build the largest cargo shipping business in the world. But McLean was not the first to come up with the idea of transport in sealed metal containers as a way of moving freight more efficiently; nor was he the only one developing container transport in the 1950s, but he was the key player.

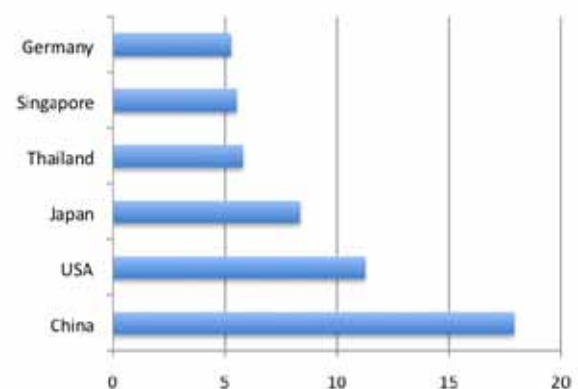
The US and other nations were using metal containers for military purposes since the First World War, and in the 1950s so was private industry. McLean knew that the adoption of a single standard, however, would revolutionise the freight industry, and he consequently made his patents available by issuing a royalty-free lease to the International Standards Organization (ISO). He knew the industry would grow as a result and so would his company. In 1956, loose cargo cost US\$5.86 per ton to load. Using an ISO shipping container, the cost was reduced to only 16 cents per ton. By 2005, 90 per cent of cargo was moved by standardised containers.

Australia's biggest export partners



figures in per cent
source DFAT

Australia's biggest import partners



figures in per cent
source DFAT

