

LETTER FROM CANBERRA

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



It's the Twitter Election!!!
(but unlike most tweets, these gems are memorable)

23 JULY to 13 August 2010 Issue No. 27: Campaign Edition

Letter from Canberra, established 2008, is a sister publication of Letter From Melbourne, established 1994

This week's Morgan Polls suggest 'hung' Parliament - Pages 9 - 12

OUR EXPECTATIONS

Editorial by Alistair Urquhart

We have raced to get this edition to you at the start of the last week of this five week federal election campaign. This edition could well become something of a keep-sake. Good for helping you muse one day as to why what happened did. It brings together much of what you were too busy to either listen to or read, or purposefully avoided.

Despite all the nonsense and foul language of the campaign (You'll remember, I did go on about that in my last editorial), certain issues have at least been clarified. Professional debates by treasurer Wayne Swan and shadow treasurer Joe Hockey, and by foreign minister Stephen Smith and shadow foreign minister Julie Bishop, both at the National Press Club in Canberra, were civil and informative, if unexciting, exchanges.

That said, the campaign has shown politics, Australian national politics, at a pretty low level, making it harder for some to regain the respect and trust to which they might otherwise feel entitled. The campaign launches, by the Liberals three weeks into the campaign and by Labor in the final week, make a mockery, yet again, of politicians in the eyes of the public. Evidently, it's all about which party can claim the most, from the treasury, for campaign expenses. The longer you drag it out the more you get. On this basis, one wonders why they don't just save their "launch" for the eve of election day!

We look forward to getting back to reality and distilling, in future editions, those items which have a central importance for business and the community. Happy Voting!

INSIDE

Punch and counter punch.
Gillard regains miner poll ascendancy

Policies. Water, broadband, mental health...

Costings fumbles

Debates. Seconds-in-liners out do leaders

Rudd has gallbladder out and gets a part time (UN) job. And he 'Makes up' with Julia

Latham tries his hand at journalism. Fails, according to Oakes

14 Collins Street
Melbourne, 3000
Victoria, Australia
P 03 9654 1300
F 03 9654 1165
info@affairs.com.au
www.letterfromcanberra.com.au

Editor Alistair Urquhart
Associate Editor Hamish Brooks
Subscription Manager Juliette Biegler
Advertising Manager Eddie Mior
Editorial Consultant Rick Brown
Design Steph Dang

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 96541300 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-practicing) 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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WHERE THE SMART MONEY IS... RICK BROWN

Federal elections are about winning 76 of the 150 House of Representatives seats — and not necessarily about winning 50 per cent of the two-party preferred vote.

The Coalition won the 1998 election with 49.02 per cent of the vote. In 1990 Labor won with 49.9 per cent of the vote. The Coalition could win 76 seats in this election without getting 50 per cent of the two-party preferred vote. This is not the only reason why predicting who will win the election is difficult.

According to the analysts, the Coalition needs to win 17 seats to win the election. However, Independents (all former Nationals with strained relationships with that party to varying degrees) hold 3 of those seats. Winning 74 seats might be enough to win since it cannot

be assumed that the Independents will support Labor. Five other seats are theoretically Labor but the current member is a Liberal.

The situation gets even more complicated. It is impossible from the vantage point of one state to know how people in another state feel. Further, it is possible that the overall outcome from the elections in Tasmania, Victoria, South Australia and Queensland could be status quo. Labor holds all 5 seats in Tasmania and the Liberals are not expected to make any gains. While there is talk of Labor picking one or two seats in South Australia, six of the eleven politicians elected in 2007 were Labor.

On the other hand, Labor is not popular in Western Australia. However the Liberals already hold 11 of the 15 seats.

Even though Labor has 21 of the current 37 members in Victoria, there is talk of Labor's winning the outer south-eastern suburban seat of La Trobe and the outer northern suburban seat of McEwan. It would seem that McEwan is the better prospect. On the other hand, Labor will be watching the eastern suburban seat of Deakin, and Corangamite, which is near Geelong.

While every seat matters in a close contest, this means that the election will be won and lost in Queensland and New South Wales — even though winning 14 or more seats in two states is a huge challenge. However, it is not impossible.

Concern about asylum seekers and doubts about the price that should be paid to address climate change are strong in both these states. Labor is deeply unpopular in both states and both have female premiers. In Queensland there is also the Rudd factor.

Labor is hoping for the latitude normally given to first-term governments and has adopted a personality strat-

egy focused on what it believes are the weaknesses of Tony Abbott. A difficulty with this strategy is that 80 per cent of voters vote for the 'brand' — or a political party. The Coalition is focusing on issues — asylum seekers and scepticism about the seriousness of climate change, and maladministration of historic proportions.

Then there are the Greens who could win a seat or two, ironically because of Liberal preferences.

The punters may be right and Labor may well fall over the line, but at this stage the smart money is still in people's pockets.

Rick Brown is a director of CPI Strategic. Between 2004 and 2007 he was an adviser to Senator Nick Minchin and a senior adviser to Kevin Andrews. Prior to that, he was the adviser to Russell Savage, one of the three Independent MPs who held the balance of power in Victoria during the first term of the Bracks government.

THE CRAZIEST ELECTION ON RECORD - FROM A SPECIAL CORRESPONDENT

Who would have thought, just eight months ago, that Julia and Tony would be fighting it out to the death in a federal election? At that time Rudd looked unassailable, a world leader on climate change and enjoying record popularity polls, and Abbott was a coming figure but not expected to arrive for a couple of parliaments, if at all.

To add to the novelty of a contest between two spanking new leaders, both owing their elevation to a dramatic deposition of their leaders, we have also witnessed with increasing incredulity a positively Shakespearean drama of skulduggery and sabotage, and, in the mix of motives, the unpredictable possibility of the Labor Party committing hari kari on the altar of polls, focus groups, the lust for power and long standing internequine factional hatreds. The front page pictures on last weekend's *Australian* said it all, a menacing glare from Mark Latham in Julia's face, juxtaposed by a picture of Julia and Kevin in their armistice talks in which, if looks could kill, they were both dead.

On the other side of the contest is the Mad Monk, no doubt bullied by all around him to avoid a faux pas at all costs, such that one could imagine he dreams of joining a silent religious order any time soon. With such a gorgeously weird bun fight being laid on by his opponents, the question is why would he want to expose himself at all. He must be tempted to throw out the speedos in favour of a monk's cassock. One thing he can do, and has finally got around to, given the much-vaunted "gender divide", is to surround himself with exuberantly cheerful females, starting with those four handsome women in his own home. He not only has to convince the stronger sex to say yes, they have to really mean it too!

ELECTIONEERING

As we go to press

At the end of the third week of the campaign the Coalition retained a narrow 51-49 per cent two-party lead in the polls showing the election is up for grabs and set to be decided by swinging voters in regional seats, *The Age* reported. Ten days out from the election, the same paper reported that Prime Minister Julia Gillard appeared to be gaining momentum with major policy initiatives, a polished performance on the ABC's Q&A, question marks over the Opposition's attack on Labor's costings and a sense that the Rudd factor is nothing like the negative it was.

They'll reveal the holes thank you

The Age reported that the Opposition has declared it will withhold policies from official scrutiny until **Wayne Swan** identifies the source of the leak in the Treasury that revealed an \$800m hole in a coalition policy.

Sharing in two decades of wrangling

The Australian noted that **Tony Abbott** and **Julia Gillard** are two political opponents closely matched in age, skill and political savvy. Both are skilled debaters, and are sharp negotiators. Both were involved in university politics before turning to public life, and therefore have at least two decades of wrangling behind them. The Coalition needs to win 17 seats back from Labor in a swing of a least 2.3 per cent to take government.

Key issues

In late July, *The Australian* reported that since the election campaign began, the Coalition has moved ahead of the Government on economic management and stretched its lead in handling asylum seekers and migration, but Labor has extended its lead among voters on (the) key issues of education and health since the removal of **Kevin Rudd**.

Never go against the family

The Age reported that pro-Rudd forces (and even the man himself) were suspected of leaking damaging claims that Prime Minister **Julia Gillard** argued in Cabinet against paid parental leave and questioned the size of a pension rise. The allegations followed an earlier leak that Gillard went back on a deal to give former prime minister **Kevin Rudd** another chance to revive his leadership. **Michelle Grattan** observed that Gillard appears to be the victim of a systematic attempt from within her own party to blow her campaign out of the water. Labor strategists must be terrified about what more there might be to come. At the time the paid parental leave leak jolted Gillard's campaign, family issues became front and centre in the contest as **Tony Abbott** started appearing at campaigning locations with his wife and one of his daughters. Deputy Prime Minister **Wayne Swan** conceded Labor was powerless to stop internal leaks, as the party struggled to regain control of the agenda almost 2 weeks into the election campaign. Commenting in *The Age*, **Shaun Carney** wrote that the Labor party's election campaign is, at best, one more traitorous leak away from collapse. The obvious disunity within the government will be the issue among many swinging voters.

The Rudd factor

In *The Age*, **Michael Gordon** wrote that the idea that the current Prime Minister and the one she tore down can run parallel campaigns without intersecting

is simply not sustainable. In the absence of real communication between the two, the potential for suspicion, destabilisation and retaliation on the part of their supporters and damaging speculation looms as a serious threat to the Gillard campaign. Gillard delivered an impassioned and plausible response to the leaked claim that she had opposed Labor's parental leave scheme and an increase in the pension by saying that all she had done was ask the hard questions about both proposals, especially concerning affordability.

Nevertheless, damage was still done through the continued speculation about the source of the leaks that were designed to hurt Gillard. *The Australian* reported that Labor ministers conceded that animosity between Gillard and Rudd is killing its election campaign and that it is not being managed as it should. During the furore, Rudd was hospitalised for gallbladder surgery. Whilst Rudd was in hospital, former foreign minister **Alexander Downer** said 'I can tell you that **Kevin Rudd** is a fucking awful person'. **Julia Gillard** leapt to Rudd's defence saying 'While Kevin Rudd is in hospital recovering from an operation, here is the Liberal Party out there with a disgraceful political attack.' Gillard didn't visit Rudd in hospital, saying the best way of aiding his recovery from surgery was to steer clear of her former boss.

The Age reported that Rudd rose from his sick bed to declare the future of the government more important than his personal hurt and pledged his full support for Gillard. He also denied that he was the source of damaging leaks against Gillard. As **Michelle Grattan** says: Move over, Julia, Kevin's here to help. In the same paper, **Tony Wright** noted that Julia Gillard could do little to get the monkey off her back as she campaigned up and down Australia's eastern seaboard. With the help of Labor Party brokers — principally Senator **John Faulkner** — Gillard contrived a solution. She would invite Rudd to join her faltering election campaign. There was little choice. Rudd had already invited himself and was metaphorically waiting at the door.

And so it came to pass

The Age reported that Gillard's much anticipated reunion with Rudd appeared tense, and a key policy announcement was overshadowed when she was ambushed by former Labor leader **Mark Latham** whilst campaigning in Brisbane. The opportunity was lost for Labor to present a united front before the Coalition's official campaign launch, in which opposition leader **Tony Abbott** tackled the illegal immigration issue by announcing tough new penalties to deter people smugglers.

Abbott also pledged that a Coalition government would bring down an economic statement within a month and outline within a year its plans and a timetable for tax reform, in a policy launch devoid of any big new spending promises, *The Age's* political editor Michelle Grattan wrote. Abbott told the audience that the Coalition's task was nothing less than to save Australia from the worse government in its history and to give Australians back a grown-up government. *The Australian's* editor-at-large **Paul Kelly** wrote that Abbott signalled he believes the Coalition is on target to win the August 21 election by shifting his campaign into small target mode with a formal election speech lacking a single new spending promise.

Latham again

Mark Latham also accosted **Tony Abbott** on the campaign trail. Veteran Channel 9 journalist **Laurie Oakes** said former Labor leader Latham had 'a bile duct the size of Sydney Harbour' and his conduct during the election campaign showed Australia had dodged a bullet in 2004, *The Age* reported.

Labor has promised to set up an expert panel to build support for the constitutional recognition of indigenous people as discontent boiled over in Arnhem Land over the absence of Aboriginal policy from the election campaign, *The Australian* reported.

Some backup

The man who negotiated the pension rise with the Government defended **Julia Gillard**. National Seniors Association chairman **Everald Compton** negotiated last year's pension rise with Treasurer **Wayne Swan** and said he had been reassured by Swan throughout the process that the pension rise had cabinet's approval, *The Age* reported.

Unreal

On the opinion pages of the *Herald Sun*, **Rebecca Wilson** wrote that **Julia Gillard** is at the centre of a tightly stage-managed campaign. The ALP is leaving nothing to chance, as the mistakes of the PM's early days must be avoided.

Back to reality

The *Herald Sun* reported that **Julia Gillard** launched the 'real Julia' at the beginning of August, discarding a safe campaign approach to personally seize control of the battle for The Lodge. At about the same time that the 'real' **Julia Gillard** was confessing that she needed to be less risk averse when she campaigned, Labor's campaign itself moved into a new aggressive and negative phase designed to exert maximum pressure on **Tony Abbott** by highlighting his 'extremist' past rhetoric, *The Age* reported.

Abbott was also questioned about the reality of his campaign persona. *The Australian* reported Gillard's move to throw out the rule book on political campaigning and take more risks was made partly because Labor Party research showed voters thought she looked like a fake. There is also a tragic aspect at the heart of Gillard's move for authenticity. Labor's handlers have made it impossible for her to stay true to herself and be the disciplined, on message machine their victory formula demands.

Look at the economy!

The Age reported that **Julia Gillard** declared economic management the centrepiece of the election, despite skirting around the issue during the first half of the campaign.

Handicapped people

The Age reported that Opposition Leader **Tony Abbott** slipped up when outlining plans for the reform of Parliamentary procedure. He said he wanted question time to flow into the political debate of the day without waffly ministerial statements on things such as 'the accessibility of cinemas' coming in between. Labor seized on the comment as offensive to handicapped people, forcing a hurried apology from Abbott.

The ads look cheap

The Age reported that campaign insiders say a thrifty campaign is on the cards this year and is a legacy of the global financial crisis, which shrank donations, as well as the need to finance the state elections in Victoria and New South Wales that will follow the federal poll. Voters should expect a less glitzy campaign launch and fewer television advertisements. Spending will be tightly focused on the battleground states of Queensland and New South Wales.

The *Herald Sun* reported that the 2010 election promises to be the most negative in memory with both sides trading blows over their fitness to govern. The *Financial Review* reported that despite promising a lean election campaign, Labor has been quietly promoting marginal seat funding from existing grants programs and budget allocations. The paper listed 29 marginal seats where the government has been active, including a couple where they are competing with the Greens.

What's your preference?

The *Financial Review* reported that Labor's election campaign got off to a strong start with a deal that locks in the Greens preferences in 54 of the ALP's must marginal lower house seats at the cost of the Senate preferences deal which will reinforce the emerging third parties hold in the upper house. Meanwhile, a (Labor employed) protestor took a leaf out of **Tony Abbott's** fashion book when the opposition leader visited a Melbourne shopping centre, turning up in nothing but a pair of speedos.

Nearby

Greens leader **Bob Brown** is urging voters to make up their own minds about where they direct their preferences on election day – but he hasn't ruled out a deal with the Liberals to boost the party's chances of winning the hotly contested seat of Melbourne, *The Age* reported. A follow-up report said that the Greens may punish Labor for its backward steps over climate change by not directing preferences to the party in seats that are not part of the existing deal mentioned above. The preference arrangements for many seats remain undecided.

Still in Melbourne

Left wing unions have criticised an ACTU request to hand over data about union members living in the key electorate of Melbourne, declaring they are not prepared to undermine the Greens' prospects of winning the seat, *The Australian* reported. ACTU secretary **Jeff Lawrence** has asked unions for the information to allow the ACTU to call unionists and urge them to support ALP candidate **Cath Bowtell**.

Union money

The Age reported that their analysis of Australian Electoral Commission records show that union financial support of the ALP is steady despite a big drop in membership and a weakening of formal ties between the union movement's industrial and political wings. Contributions to ALP coffers appeared to hit a high of almost \$10m in 2007-08, boosted by the 2007 election campaign. The ACTU spent an additional \$30m on its Your Rights at Work campaign, targeted at the 2007 poll and widely viewed as critical to Howard's defeat.

Final preferences

The Age reported that the three biggest parties appear set to fight out the last two Senate seats in Victoria once again after party preference tickets revealed no big surprises. Family First Senator **Steve Fielding** will get preferences only from other parties on the right, which is unlikely to be enough to return him at this election. Labor and the Greens will give their affective preferences to each other.

Sisterhood

The Age reported that most women voters have continued to embrace **Julia Gillard**, providing her with a strong 54-46 per cent two party lead in an Age/Nielsen poll in late July, but the government still faces a struggle in electorally strategic Queensland where, it seems, voters will punish Labor for Rudd's demise. Meanwhile, the *Australian Women's Weekly* published a 13-page spread on **Julia Gillard**. She featured on the cover of the magazine in a shot that was apparently all natural. The *Herald Sun* reported that in a photo inside, a blemish on the prime ministerial neck was touched up; it was slightly altered to make her look less sexy...

In *The Australian*, **George Megalogenis** wrote that both parties are preoccupied with election pitches that are at odds with contemporary Australia. At the end of week two of the campaign, *The Age* reported that **Julia Gillard's** approval rating plunged, and her lead as preferred Prime Minister was sharply eroded during a week when government division was exposed by an anti-Gillard leak of cabinet secrets. Labor trailed the Coalition 48 to 52 on a two-party vote. At the beginning of August, *The Australian* reported that the Coalition had raced so far ahead in New South Wales and Queensland since the election campaign began that the Labor government could lose enough seats in those states alone to be turned out of office or left relying on independent MPs.

Poor Tony

Despite his persistent parading round of his daughters and his wife, Melbourne's feminists have warned that women's equality would be undermined if **Tony Abbott** became Prime Minister. In a letter to *The Age*, 45 signatories, including Liberty Victoria's vice president **Anne O'Rourke**, say many women have serious concerns that a government led by Abbott would introduce policies influenced by his Catholic beliefs.

Drunk at the wheel, a bit like our politicians

The *Herald Sun* reported that **Julia Gillard's** boyfriend **Tim Mathieson** was four times over the legal limit when he smashed his car while drunk on May 16, 2003, in Queensland, court documents show.

'Chopper' Abbott

Tony Abbott unveiled 17 cuts to Labor programs that he said were vital to driving down interest rates and reducing cost of living pressures on Australians. The cuts would include **Kevin Rudd's** community cabinet meetings and ditching the pursuit of a UN Security Council seat. The Coalition would also reduce the frequency of Council of Australian Government meetings to two a year. It would also cut Labor's green building fund, recover full cost of industrial elections from the unions, not pay to retrain and redeploy Telstra staff, cut the human rights framework and abolish the centre for international finance and deregulation, *The Australian* reported.

In house

The Age reported that the Prime Minister's partner, **Tim Mathieson**, continued to play a role in a campaign where personalities were regularly trumping the daily policy events. **Julia Gillard** was asked whether she intended to marry Mathieson, and whether he would live with her in The Lodge if she won, and whether he would contribute to major policies.

Hush money

Major donors to political parties in this election will be able to keep contributions secret for another 18 months under campaign finance laws. Donations of more than \$11,500 made to the parties in a financial year are not disclosed until February next year, meaning contributions given now will not be on the public record until February 2012, *The Age* reported.

Insurance

The *Financial Review* reported that Labor will take \$300m from Medibank Private in a special one-off dividend to help fund its election promises, a move the Coalition said was a sign that state Labor government practices were taking over the federal budget.

The seat of Higgins

The Age reported that former federal treasurer **Peter Costello** is at the centre of an argument within Liberal ranks over his refusal to relinquish almost \$1m donated to the conservative cause. With the party crying poor and warning that it is being out spent by Labor in the current federal election campaign, some senior Liberals are frustrated by Costello's squirreling away of donations in an investment fund known as the Higgins 200 Foundation. The foundation is dedicated to the Liberals, but also to non-political aims including the advancement of religion. The Liberals Victorian president, **Dr David Kemp**, has confronted Costello, pointing to party rules that specify such donations are the party's to manage. Liberal federal president **Alan Stockdale** confirmed he was aware of the row but said it should be resolved within the Victorian party.

Freeing the oceans

In a policy aimed at marginal Queensland seats, the Coalition said it would stop Labor's expansion of marine protection parks – which Opposition Leader **Tony Abbott** said was threatening to lock up our oceans – and also consider expanding welfare quarantining if elected, *The Age* reported.

Juicy

In mid-July, Centrebet had the ALP at \$1.22 favourite to win the election, compared to \$4.10 on offer for **Tony Abbott's** opposition. Sportingbet had Gillard at \$1.28, compared to the Coalition's \$3.58, while sportsbet.com also had the ALP at \$1.22 and the Liberal Party at \$4, *The Age* reported. Two weeks out from the election, after a couple of weeks of campaigning, those odds had narrowed to around \$1.50 for Labor and between \$2.45 and \$2.74 for the Coalition.

Nevertheless, Australia's punters are putting their money on Julia Gillard. Labour will have its majority cut to six or eight seats according to online bookmakers. If the punters are right, only seven of the 150 seats are likely to change hands at the election. There was a third-of-a-page **sportingbet** advertisement on page three of the Australian that said forget Kevin O7, its Gillard \$1.50. As Rick Brown election viewpoint in his addition at tests, the smart money is staying in punters pockets.

Attack dogs

The *Herald Sun* reported that **Julia Gillard** has armed herself with at least three attack ads against **Tony Abbott** where she criticises her opponent over health, education, broadband and WorkChoices. As the flipside of Labor's campaign slogan, 'Let's move Australia forward', the ads, recorded in the Prime Minister's Parliament House office before the election was called, warn: 'Don't let Tony Abbott take us backwards'.

The business word

The *Financial Review* reported that while both sides would like to make the economy their issue, business has called on Labor and the Coalition to deliver a comprehensive economic reform agenda to cut corporate tax to 25 per cent, initiate a systematic wage trade-off to offset higher superannuation and engage business in the climate change debate. The *Herald Sun* reported that **Tony Abbott** has offered a surprise tax cut for businesses that seeks to trump concessions already promised by Labor. The Liberal leader promised a 1.5 percentage point cut by 2014 to take the company rate to 28.5 per cent – 0.5 points lower than the Government has pledged.

The cut stands in contrast to Abbott's plan to impose a 1.7 per cent levy on the same tax on big business to finance his \$2.7b paid parental leave scheme. *The Age* reported that business heavily criticised Abbott's revamped paid parental leave scheme. *The Australian* reported that several Coalition MPs, including one Liberal frontbencher,

say they will seek to water down Abbott's generous paid parental leave scheme if they win government, because they believe it is excessive and discriminates against stay-at-home mothers. National MP **Darren Chester** said his support for the scheme would be contingent on it being altered to offer stay-at-home mothers extra assistance.

The insomniac vote...

Liberal federal director **Brian Loughnane** criticised Labor's expected move to allow only one leaders debate. After the event, most people are probably happy there is only one, with *The Age* reporting that the contest was a lacklustre one that stayed religiously to the campaign script. The prime minister defended the government's economic record and tried to torpedo **Tony Abbott's** populist pitch on immigration and boats, while Abbott sought to woo families facing cost of living pressures. The worm gave the debate victory to Gillard by a significant margin, however, most commentators thought it was a fairly even affair.

The Australian's editor-at-large, **Paul Kelly**, wrote that whilst Abbott may not have won the debate on points, it was his best moment because he started to look like a viable prime minister. The same paper reported that the ABC admitted it should have disclosed links between members of a judging panel it used to assess the televised leaders election debate and Sustainable Population Minister **Tony Burke**. A seven-person panel of debating experts scored the debate between Gillard and Abbott 7-0 for the Prime Minister.

Nearby, in *The Australian*, **Arthur Sinodinos** wrote that allowing the Greens to enter a televised debate could see them chopped down to size. A TV face-off would show voters what the environmentalists would do to the economy. Meanwhile, when Gillard was trying to turn the election campaign's attention to the economy, she offered the Liberals and Abbott a second debate focused on this issue. Whilst the Liberals were initially critical of Labor of not wanting a second debate, they did not accept Gillard's offer (also a backflip on her behalf) thinking they now have too much to lose.

Q and A

Julia Gillard appeared live on the Monday night discussion program *Q&A* on the ABC. In its usual format the show involves a panel discussion, but the Prime Minister appeared alone and took questions directly from

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a studio audience in Adelaide, with host **Tony Jones** asking questions received from viewers. It was polished performance that some commentators suggested helped her steady her campaign. More than 841,000 people watched the program – the biggest audience the program has had since its debut in 2008. **Tony Abbott** appeared alone the following week on the same show, this time in Sydney. Both party leaders appeared at a forum at Sydney's Rooty Hill RSL to be questioned by 200 swinging voters (see below).

Gillard again challenged Abbott to a second debate. A debate on the economy, which she wanted, took place at the National Press Club between Treasurer **Wayne Swan** and his opposition shadow **Joe Hockey**. The *Financial Review* reported that Hockey and Swan sparred over the merits of the fiscal stimulus and their respective strategies for addressing debt and deficits. Nearby, the same paper reported that auditors have challenged a central part of Labor's economic message by casting doubt on whether fiscal stimulus spending has spurred growth as quickly as first planned.

The *Australian* reported that Reserve Bank director Warwick McKibben contradicted Labor's claim that its stimulus rescue packages saved 200,000 jobs, as more evidence emerged that delays to the stimulus spending risked increased demand in the economy at a time when it was not needed.

Rooty Hill

Both leaders faced tough questions from the people at the forum at the Rooty Hill RSL in western Sydney. Gillard went first and endured a grilling on broken promises, the treatment of **Kevin Rudd**, climate change, her new rewards for outstanding teachers, and same-sex unions. Opposition Leader **Tony Abbott** followed and was pressed on WorkChoices, his toppling of **Malcolm Turnbull**, property values, his alternative to the national broadband network and how to tackle the problem of illicit drug use, *The Age* reported. After a spirited and competent performance at a venue where he once box, Abbott emerged as the favoured candidate for Prime Minister amongst the 200 attendees.

Kevin Rudd's got one in hand and one in the back

The *Herald Sun* reported that switching the election focus to law and order, Labor released a list of 22 weapons it will effectively ban, such as knuckle-dusters, flick knives and stun guns. If re-elected, a Gillard government would immediately impose 'an extremely hard test' that required anyone wanting to import the weapons to prove lawful domestic purpose.

No dial Tony

Tony Abbott has pledged to axe a new 24-hour GP hotline announced by the Government in the May Budget to help get the Budget back into surplus by 2013, the *Herald Sun* reported.

Like a punt?

Julia Gillard's electorate of Lalor in Melbourne's west is home to Victoria's number-one poker machine venue for player losses: the Werribee Plaza Tavern where punters lost \$19.2m, *The Age* reported.

Filling holes

The *Australian* reported that the parties were scrambling to find last-minute candidates to fill gaps in their teams as they finalise arrangements for the election campaign.

Sticking with tradition

The Liberals have returned to five-time election campaign veterans **Mark Pearson** and **Ted Horton** to handle their election advertising despite fears the pair could be overwhelmed by the fast pace of the online campaign. Despite reports to the contrary, **John Singleton** is not working with the party, *The Australian* reported. The paper later reported that the Liberal Party appeared to have settled on the defining advertising image of the election campaign, branding Labor the lemon party. **Julia Gillard**, **Wayne Swan**, **Peter Garrett** and **Penny Wong** were all represented as a bunch of lemons. A new video appeared online in which **Kevin O Lemon** is chopped in half. The camera shows **Julia Gillard's** face reflected in Rudd's spilt juice before it pulls back to reveal Labor's new lemons.

Nearby

The *Australian* reported that **John Singleton** asserted his presence over the election campaign when his ad agency launched what could prove to be the most controversial ads of the campaign. They featured the fictional story of a woman told she is dying of cancer that could have been treated if she had had an earlier pap smear. The ads are being bankrolled by Australia's largest GP clinic, Primary Health Care, and carry the tagline 'Don't let Labor's health cuts be the death of you'.

Ad-libbing

The *Age* reported that former Treasurer **Peter Costello** has demanded Labor pull an attack advertisement that uses a clip of him questioning **Tony Abbott's** economic credentials, branding it dishonest and deceptive.

On the comeback trail

Cheryl Kernot, 61, the former Australian Democrats leader and Labor MP who has been off the political radar for the past eight years, taking on academic roles in Britain and Sydney, has nominated for a federal New South Wales Senate seat. Her mission: to return ideas and serious policy discussion to the centre of politics, *The Australian* reported.

With the potential of a hung Parliament mooted following the election, *The Australian* reported that independent federal MPs, **Tony Windsor**, **Bob Katter** and **Rob Oakeshot** may be called on to decide a hung result in the election.

Still battling

Veterans fighting for an increased military pension have begun a campaign to unseat MPs in marginal electorates. The Fair Go! campaign has begun contacting MPs in 49 marginal electorates, some of them with a substantial defence presence, to gauge their views on the issue, *The Age* reported.

Gladiator ready! Challenger ready!

Former ABC journalist **Maxine McKew**, who won the seat of Bennelong from former prime minister **John Howard** at the last election, holds the northern Sydney seat by just 1.4 per cent and concedes it will be a battle to retain it. She will be up against Liberal candidate, former Davis cup and television star **John Alexander**, the *Financial Review* reported.

IMMIGRATION. POPULATION

The current growth model

Julia Gillard questioned whether it is time to declare that areas such as western Sydney and southeast Queensland have reached the limit of their capacity for growth without destroying their 'Australian way of life'. The Prime Minister said it was time to reassess policies Australia had followed since the end of World War II – in a clear reference to the generations-old concept of Australia needing to drive economic growth by encouraging migration. The business community and the opposition questioned her approach, *The Australian* reported. That paper's editor-at-large, **Paul Kelly**, wrote that Gillard's comments put the issue beyond doubt – she is the first prime minister to seek election on a platform of a smaller growing Australia while rejecting the current growth model as irresponsible.

From day one

Tony Abbott is promising to reopen the two Nauru detention centres and restore temporary protection visas within weeks if he wins the August 21 election as part of his strategy to 'stop the boats', *The Age* reported. Abbott met with the President of Nauru to demonstrate the Coalition's resolve to reinstate the 'Pacific solution'.

An infrastructure issue

Queensland's demographers feel their state has the capacity to accommodate population growth as long as infrastructure is provided to cope with more people, *The Australian* reported. RBS Morgan's economist Michael Knox said much of Queensland's economic growth had depended on population growth, and there seemed to be a direct correlation between the two. 'The big challenge for governments is to provide infrastructure', he said.

Perhaps its because they are genuinely refugees

Immigration authorities warned the Government's high success rate for refugee claims was acting as a major pull factor that encouraged boatpeople to make the voyage to Australia, *The Australian* reported. The government was warned to brace for an influx of between 5,000 and 10,000 boat people this year.

Certain standards must be met

The Australian reported that Nauru's Justice Department recommended signing the UN Convention on Refugees, sweeping away one of the Gillard government's main objections to basing a refugee processing centre in the tiny island state. Nauru's Foreign Minister **Kieren Keke** said there was nothing preventing Nauru's deadlocked parliament entering into a legal agreement.

Curtin up

The Australian reported that plans are underway to expand West Australia's Curtin detention centre to hold 900 people to help cope with the growing number of asylum seekers.

We're all just spectators

The *Herald Sun* reported that industry groups have reacted negatively to key policies on immigration unveiled by the major political parties. Peak business bodies are particularly disappointed with moves by the ALP and the Coalition parties to manage population growth by restricting the annual immigration intake over the next three years. Opposition leader **Tony Abbott** announced a Coalition government would cut net immigration to Australia from the current level of 300,000 year to 170,000.

Victorian Employers' Chamber of Commerce and Industry chief executive **Wayne Kayler-Thomson** accused both political parties of blatant populism on the population debate and warned that the state education sector would suffer if immigration was cut. The Council of Small Business Organisations of Australia and VECCI also questioned another ALP policy announcement, wondering how a Labor government would fund its promise to provide a blanket guarantee on workers redundancy entitlements in situations where a company goes broke.

A strange thing, bipartisanship

A strange bipartisanship now hangs over asylum seeker arrivals, wrote **David Manne**, executive director of the Refugees & Immigration Legal Centre, on the opinion pages of *The Age*.

Right...

Liberal frontbencher **Kevin Andrews** has endorsed, in a campaign leaflet, a population target of 29 million by 2050 – a figure that would see immigration cut to an average of 125,000 a year, *The Age* reported.

Reality check

Providing a reality check in *The Age*, **Tim Colebatch** wrote that new Bureau of Statistics figures show that immigration into Australia is in free fall, with net permanent and long-term overseas arrivals dropping to barely half last year's levels.

Ocean Protector

The increase in the numbers of boats carrying asylum seekers into Australian waters has prompted the government to increase its sea power as Norwegian vessel Skandi Bergen (to be renamed Ocean Protector) is overhauled to patrol Australian waters. The new vessel will replace the Oceanic Viking, which became a household name after a boat load of Sri Lankan asylum seekers refused to get off last year, the *Financial Review* reported.

Indonesia to win marginal seats

The Australian reported that Australian taxpayers could be called on to fund new detention centres in Indonesia to help Jakarta (it's their plan) deter asylum seekers from using their nation as a staging point for boat trips to Christmas Island.

It is an infrastructure issue

Julia Gillard's focus on a sustainable population is an excuse for failing to tackle questions on infrastructure, the environment and social policy, according to two of Australia's leading economists, Reserve Bank director **Warwick McKibben** and Melbourne Institute director **Deborah Cobb-Clark**. Clark said it was not possible to manage the growth of the population by planning, *The Australian* reported.

Emotion and appearance

Patrick McGorry, this year's Australian of the Year, wrote on the opinion pages of *The Age* that the policy on asylum seekers is being driven by emotion and appearance when hard-nosed pragmatism is needed.

Beneath the election debate

Major employers welcomed a high-level government report that recommends an overhaul of the skilled migration system to allow resources companies to avoid emerging skills shortages. The final report of the Gillard government's National Resources Sector Employment Task Force proposed introduction of five-day deadlines for migrant visa processing and a new form of Labor agreement – to be known as enterprise migration agreements – for big resources projects, *The Australian* reported.

INDUSTRIAL RELATIONS. EMPLOYMENT

Same spine

The Age reported that unions have backed an agenda to push Labor to bolster the Fair Work regime and also to offer strong support to the Gillard government's campaign against the Coalition. The ACTU executive endorsed a levy of about \$1.8m, or one dollar a union member, to fund an advertising campaign. On the opinion pages of *The Age*, **Kenneth Davidson** wrote that organised labour is hamstrung regardless of who wins the election. The constitutional spine of the Fair Work Act is the same as WorkChoices.

He walks on eggshells on tiptoes

Business has backed **Tony Abbott** for leaving industrial relations untouched, demanding instead that both political parties give priority to tax reform, certainty on climate change and the development of critical infrastructure, the *Financial Review* reported.

Senior moment

Tony Abbott launched the Coalition's seniors policy in Brisbane, which broadens Abbott's welfare-to-work and participation agenda by effectively paying a wages top-up of \$3,250 if employers take on a worker aged over 50 who is on a pension or a government benefit. Employers will have to retain their new employees for six months to be eligible for the subsidy, *The Age* reported. Nearby, Labour has pledged to allow pensioners to earn up to \$6,500 a year before any loss to their pension.

Not touching it with a ten foot pole

Reserve Bank board member and Brambles and Bluescope chairman **Graham Kraehe** said there was a need to address flaws in Labor's Fair Work Act, and criticised the Government and the Coalition for not committing to changes during the life of the next federal parliament, *The Australian* reported.

Shifted

Retailers have warned of job losses for school students in country towns after the Fair Work tribunal rejected an appeal against three-hour minimum shifts for teenagers. Opposition Workplace spokesman **Eric Abetz** called on government to intervene, saying the ruling failed the commonsense test. Workplace Minister **Simon Crean** said the government will be considering the full details of the decision in the days ahead, *The Age* reported. The high profile sacking of two teenagers from a hardware store in Terang, Victoria, after the new national award required they work at least three hours was leapt upon by opposition leader **Tony Abbott** in February as something he would scrap if elected. *The Australian* reported that the National Retail Association failed to have 90-minute minimum shifts for after-school work inserted into the award.

Wage claims

The *Financial Review* reported that unions are pushing wage claims of up to 7 per cent a year as a series of pay agreements come up for renegotiation, with Telstra facing nationwide strikes and aircraft refuellers planning to delay flights over wage disputes. Labor also risks politically embarrassing strikes during the election campaign, with the threat of protected industrial action as part of contentious enterprise bargaining at firms including Commonwealth Bank, Cochlear, Qantas and CHEP.

Disaffiliation

The Age reported that the Electrical Trades Union, one of Victoria's largest blue-collar unions, will break its historic links with Labor after members voted overwhelmingly to disaffiliate from the party. Secretary **Dean Mighell** said the move was because of deep dissatisfaction with federal Labor and its workplace laws.

Punished for paying

The Fair Work Ombudsman has taken action against stevedoring company P&O for paying striking maritime workers in breach of Howard-era workplace laws. It is first time the Ombudsman has intervened to penalise the company for not docking workers a full four hours for an illegal stop work. The timing has prompted unions to accuse the Ombudsman of being overzealous, *The Age* reported.

The self-employed

Away from the class war elections being fought by the Labor Party federally and in Victoria, Roy Morgan Research noted that approximately 5.6 per cent of all Australians classify themselves as self-employed. And it seems the self-employed favour the Liberal-Nationals ahead of the ALP 58-42 on a two-party preferred basis. Electorates with a much higher portion of self-employed than the national average include the ALP marginal seats of Franklin (Tasmania) 10.8 per cent, Forde (Queensland) 10.6 per cent, Page (New South Wales) 10.4 per cent, Leichhardt (Queensland) 9.7 per cent, Bennelong (New South Wales) 9.7 per cent and Deakin (Vic) 7.6 per cent.

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Listing to port

The Australian reported that **Julia Gillard** faces demands to wind back the Fair Work Act from businesses suffering from a rise in the cost of shipping cargo. Shippers are passing on the cost of regulations that require them to pay local wages to foreign seafarers carrying domestic freight between Australian ports, prompting warnings that this could lead to higher costs for widely used goods such as vegetables and packaging. London-based Swire Shipping started charging a \$600 surcharge for each container unloaded in Newcastle, Brisbane and Townsville on its south east Asia northbound service, citing the need to cover increased costs from the Fair Work Act and award changes.

Vital services

Over 300 organisations working in social and community services across Australia combined to take out a full-page ad in *The Australian* saying that workers in their sector are significantly underpaid. The vital services sector requested readers help, www.acoss.org.au/equalpay.

CLIMATE CHANGE. ENVIRONMENT. ENERGY

Should have called a double dissolution...

The Age reported that a Gillard government would create a 'citizens' assembly' of 'real Australians' to investigate the science of climate change and consequences of emissions trading, under a plan to build a national consensus for a carbon price. When **Julia Gillard** announced the plan she also promised to set up an expert climate change commission that would both explain climate science to the public and report on steps being taken in other countries to tackle the problem.

But she has emphasised the need to build a community consensus on climate change first, and has flagged the possibility of further delay in action on climate change if the citizen's assembly is not convinced of the need to act. In that paper, **Shaun Carney** wrote that Gillard wants to take climate policy beyond the political arena and use the weight of public opinion to get it through. In addition, the *Financial Review* reported that Gillard's policy included \$1b over 10 years to assist renewable supply to the national energy grid; \$100m for financial institutions to develop renewable energy; tougher standards for new coal-fired power stations; rewards for businesses that take immediate action to cut emissions; and an emissions trading scheme introduction date to remain at 2013.

John Breusch, also of that paper, felt that Gillard's statement on climate change provides no certainty. The *Financial Review* also reported that Gillard failed to consult cabinet about her decision to hold a citizens' assembly on climate change – a fresh setback for Labor

as it attempted to increase voter focus on Abbott as opinion polls began suggesting a likely Coalition victory at the election.

In *The Australian*...

Julia Gillard's push for climate change consensus was criticised by green groups as an unnecessary delay in adopting a carbon price, and sparked warnings from business leaders of higher power prices and stalled investment. The paper's editor-at-large, **Paul Kelly**, wrote that Gillard has learnt nothing from Kevin Rudd's failure – she tells the planet is under threat, but she cannot act until a political consensus is reached. The *Financial Review* reported that **Julia Gillard** said the proposed citizens assembly on climate change was just one part of what Labor would do to achieve a lasting community consensus on climate change. Her comments point to the possibility Labor will do more to tackle the issue in the wake of the politically disastrous assembly proposal, which pollsters said was responsible for starting the losing slump in Labor's standing with voters over 10 days at the end of July.

Policy wonk

The Age reported that the man who suggested **Julia Gillard's** much attacked plan for a citizens' assembly, **Tom Bentley**, is a 37-year-old English born policy wonk who advised the Blair, Bracks and Brumby governments.

They have failed

Prominent adviser to the Labour government **Ross Garnaut** has criticised both **Kevin Rudd** and **Julia Gillard** for a failure of leadership in tackling climate change. In his 2010 Hamer Oration, Professor Garnaut attacked Rudd for an abdication of leadership, and warned that the current Prime Minister had repeated her predecessor's blunder with her own climate change retreat, *The Australian* reported.

Whoa

Australian Industry Group chief executive **Heather Ridout** warned **Julia Gillard** to slowdown, as the Prime Minister seemed to be prepared to rush out a climate change policy before the election. She said that it would-be overreaching for the government to role out a replacement for the emissions trading scheme and cautioned Gillard to avoid embracing a carbon-tax quick fix, warning that business was not prepared nor ready, *The Australian* reported.

Nearby

The *Financial Review* reported that Prime Minister **Julia Gillard's** climate change policy is expected to focus on immediate steps to foster the development of renewable energy sources and increase energy efficiency. She will stop short of committing the government to a timetable for moving to a carbon price and will offer business a comprehensive consultative process before any final decisions are made in the next term of a

Labor government. *The Age* reported that under Labor's proposal, all new coal-fired power stations would face new emission standards and have to be carbon capture and storage ready.

The government claims this will send investors a powerful signal to invest in cleaner energy, including gas and renewable power. The energy sector sources said the policy did nothing to add to the key question hanging over their investment decisions – what, if any, carbon price to factor in.

The carbon price mystery

The Age reported that Opposition Leader **Tony Abbott** declared unequivocally there would be no carbon price on consumers under a Coalition government. He walked away from the position of shadow treasurer **Joe Hockey**, who said a carbon price was inevitable. Abbott said the coalition did not believe in artificially imposing a carbon price on consumers. In the *Financial Review*, **Brian Toohy** wrote that Tony Abbott's proposal to save \$300m by abolishing the Carbon Capture and Storage Institute is a good idea. Abbott should follow-up by promising to scrap the \$2b CCS Flagships program that is almost certain to prove another failed government attempt to pick a winner.

The coalition's insulation scheme

Tony Abbott will unveil a three-point plan giving community groups, including sports clubs and churches, a lead role in fighting climate change by putting his proposed 15,000-strong green army at their disposal. As part of the Opposition Leader's direct action approach to climate change, 100,000 not-for-profit community groups would be put on solar power as part of a 1 million solar roof panel scheme, *The Australian* reported.

Carr doesn't want trade

Julia Gillard's election promise to give \$2,000 to people who update their old car for a more environmentally friendly model has not been well met by her Industry Minister, **Kim Carr**, *The Australian* reported. Carr does not believe that Australia needs a 'cash for clunkers' scheme. The motor trade industry in South Australia believes the plan could be open to rorting and distort the new car market. The *Financial Review* reported that the Greens will oppose Labor funding most of its \$400m 'cash-for-clunkers' car policy by diverting money from an existing solar energy program. *The Age* reported that the Department of Finance estimates the scheme would cost \$35m more than Labour said. The department's costing found the policy would cost \$429m, for a goal of reducing greenhouse emissions by 1 million tonnes.

The risks of climate change

The *Herald Sun* reported that Colonial First State Global Asset Management head of responsible investment **Amanda McCluskey** said major institutional investors were eager to protect their assets from the physical or regulatory risks of climate change. They were investing in clean technologies such as renewable energy that harnessed the sun, wind and geothermal energy. But the funds are flowing offshore to China and Europe where policies – such as carbon pricing, national clean-energy feed-in tariffs or state loan guarantees – gave investors confidence to invest in newer technologies over coal and gas power plants.

At a Committee for Economic Development of Australia forum in Brisbane, McCluskey said more supportive policies were needed to martial private investment. She



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Labor (51%, down 6.5%) just ahead of Coalition (49%, up 6.5%)
Federal Election set to hinge on last week of Campaign

Today the ALP support is 51% (down 6.5% since the Face-to-Face Morgan Poll conducted on the weekend of August 7/8, 2010) holding a slim Two-Party preferred lead over the L-NP today 49% (up 6.5%) as the last week of campaigning before next Saturday's Federal Election begins according to today's special telephone Morgan Poll - conducted this Saturday (August 14, 2010).

This special telephone Morgan Poll finds the ALP primary vote had fallen to 40.5% (down 2.5%) clearly behind the L-NP 44% (up 7%), while the Greens 12.5% (down 3%), Family First 1% (down 1%) and Independents/ Others 2% (down 0.5%).

Morgan Poll Voting Trend (July 20/21 – August 7/8, 2010)

	Phone	Face-to-Face	Phone	Face-to-Face	Phone	Face-to-Face	Phone
	<u>July 20/21</u>	<u>July 24/25</u>	<u>July 27/28</u>	<u>July 31/ August 1</u>	<u>August 3</u>	<u>August 7/8</u>	<u>August 14</u>
	%	%	%	%	%	%	%
ALP	55.5	55.5	53	53	50	57.5	51
L-NP	44.5	44.5	47	47	50	42.5	49
ALP Lead	11%	11%	6%	6%	-	15%	2%

Analysis by Gender

Analysis by gender reveals the 'gender gap' that has worked in Gillard's favour has almost completely disappeared with women slightly favouring the ALP (52%) cf. L-NP (48%) while men are evenly split – ALP (50%) cf. L-NP (50%).

Analysis by State

Analysis by State reveals the L-NP leads in the key States of New South Wales (52.5% cf. 47.5%); Queensland (53.5% cf. 46.5%) and Western Australia (52.5% cf. 47.5%). The ALP continues to lead strongly in Victoria (58.5% cf. 41.5%) and also leads narrowly in South Australia (52% cf. 48%) and Tasmania (52.5% cf. 47.5%).

Analysing these results shows that if the Federal Election had been held today it would have been decided in the marginal seats in NSW, Queensland and WA – and would most likely have resulted in a hung Parliament. The Country Liberal Party (L-NP) should also pick up the Northern Territory seat of Solomon – lost at the 2007 Federal Election. In addition, the Greens would probably win Melbourne and there would be three right-leaning Independents – two from NSW and one from Queensland.

The Roy Morgan Government Confidence Rating is 116 (down 10.5pts), with 51% (down 3% since August 7/8, 2010) of Australians confident that Australia is 'heading in the right direction,' compared to 35% (up 7.5%) that say Australia is 'heading in the wrong direction.' The latest [weekly Roy Morgan Consumer Confidence Rating](#) for the weekend of August 7/8, 2010 was at 129.0 (up 4.8pts).



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[As released on Insiders \(ABC\) \(Sunday August 15, 2010\)](#)

Special Morgan 'Marginal Seats' Poll: L-NP set to win Macquarie (West Sydney) & Leichhardt (North Qld), ALP will hold Brand (WA)

A special telephone Morgan Poll conducted late this week (August 11/12, 2010) in three marginal seats (Macquarie (NSW), Leichhardt (QLD) & Brand (WA)) shows next week's Federal Election is set to be too close to call – there could be a 'hung' Parliament.

The New South Wales electorate of Macquarie shows a swing of 3.1% to the L-NP since the last Federal Election. If there is a 3% uniform swing to the L-NP across New South Wales then the Liberals will gain the seats of Macquarie, Robertson and Page and either Bennelong or Dobell. [Previous Roy Morgan marginal seat polling in NSW](#) showed a similar swing only in Macarthur – which is currently held by the Liberals, but notionally Labor after redistribution.

In Queensland, a recorded swing of 6.6% in Leichhardt means the LNP would gain that seat as well as Longman, Flynn, Dawson, Forde, Petrie and possibly Brisbane or Moreton – if that swing were repeated uniformly across Queensland. [Previous Roy Morgan Queensland marginal seat polling](#) showed a similar swing in Longman, Flynn and Dawson.

In Western Australia, a swing of 3.1% in Brand is not enough for a Coalition victory, but would result in a Coalition win in Hasluck. [Previous Roy Morgan Western Australia marginal seat polling](#) showed a similar swing in Hasluck.

Across the rest of Australia, there's a possibility the Coalition will lose McEwen and La Trobe in Victoria and Sturt in South Australia while the ALP will likely lose the seat of Melbourne to the Greens. [Yesterday's Morgan Poll in the Northern Territory](#) showed the Coalition ahead and likely to win Solomon.

On these figures the Election will be close, however if the swing continues in the last week, the L-NP should easily win Government next Saturday.

Primary Voting Intention

	Macquarie (NSW) Projected: L-NP gain		Leichhardt (QLD) Projected: L-NP gain		Brand (WA) Projected: ALP hold	
	Fed. Election Nov. 24, 2007*	Morgan Poll Aug. 11/12, 2010	Fed. Election Nov. 24, 2007*	Morgan Poll Aug. 11/12, 2010	Fed. Election Nov. 24, 2007*	Morgan Poll Aug. 11/12, 2010
	%	%	%	%	%	%
ALP	44.1	33	43.1	33.5	46.1	39.5
Liberal	37.8	47.5	42.6	48	38.6	44.5
Greens	10.4	14.5	7.5	14.5	8.6	14.5
Independents/ Others	7.7	5	6.8	4	6.7	1.5
Total	100	100	100	100	100	100

In Macquarie, 309 electors were polled on August 11/12, 2010. In addition, 203 electors were polled on June 25 – July 1, 2010. Of all electors surveyed on August 11/12, 2010, 6% (up 2%) of electors did not nominate a party.

In Leichhardt, 309 electors were polled on August 11/12, 2010. In addition, 206 electors were polled on June 25 – July 1, 2010. Of all electors surveyed on August 11/12, 2010, 4.5% (up 0.5%) of electors did not nominate a party.

In Brand, 307 electors were polled on August 11/12, 2010. In addition, 202 electors were polled on June 25 – July 1, 2010. Of all electors surveyed on August 11/12, 2010, 6.5% (up 2.5%) of electors did not nominate a party.

401 Collins Street, Melbourne, Victoria 3000, G.P.O. Box 2282U, Melbourne, Victoria 3001, Australia
 Tel: (03) 9629 6888 Fax: (03) 9629 1250 (03) 9622 8387 Email: melbourne@roymorgan.com.au Website: www.roymorgan.com
 Offices also in: Sydney, Brisbane, Adelaide, Perth, London, Auckland, and USA

Gary Morgan says:

“Timing is everything. Roy Morgan picked the highest point for Labor last weekend (ALP 57.5% to L-NP 42.5%). Both Nielsen and Newspoll polled during the week - Nielsen: ALP 53% cf. L-NP 47% conducted Tuesday to Thursday; and Newspoll surveyed marginal seats Monday to Thursday. Both showed the Labor vote had come down from the high of the weekend.

“Today’s special telephone Morgan Poll shows the ALP 51% (down 6.5% since the Face-to-Face Morgan Poll conducted last weekend on August 7/8, 2010) now just ahead of the L-NP 49% (up 6.5%) on a Two-Party preferred basis.

*“The positive ALP publicity in the lead up to last weekend’s **Rudd/Gillard reconciliation including their pledge to campaign together in Queensland** (last weekend’s Morgan Poll showed the ALP leapt ahead – 57.5% cf. 42.5%) has been quickly forgotten due to extremely poor publicity surrounding their Brisbane meeting – clearly ‘stage managed’ with only one photographer and one journalist allowed to attend their short meeting which **resulted in 30 seconds of uneventful TV footage showing them uncomfortable in each other’s presence - followed by no joint Queensland campaigning.***

*“The significant publicity surrounding **Rudd’s acceptance of a job with the United Nations** – obviously treating his future role in Parliament as a part-time commitment, and former Labor Leader **Mark Latham’s confrontation with Prime Minister Julia Gillard soon resulted in any message of Labor Party unity and ‘Moving Australia Forward’ being completely dissipated.***

*“Julia Gillard’s higher approval rating and image of being the better Prime Minister (over Opposition Leader Tony Abbott) appears unlikely to overcome **widespread disunity in the Labor Party, past wasteful Government spending and the poor standing of the Queensland & New South Wales State Labor Governments.***

*“The Federal Election is set to be close (it could end up being a ‘hung’ Parliament) and **either party can still win** however the electorate believes the **Greens will control the Senate** (Greens are attracting disenchanted ALP votes because of their handling of environmental issues and the ETS issue and their humanitarian position regarding ‘boat’ people), and the **ALP will lose a significant number of seats in Queensland and New South Wales. In addition, extra polling done today in the Northern Territory indicates the Country Liberal Party (L-NP) should pick up the seat of Solomon, centred on Darwin, which the ALP had won at the 2007 Election.***

“Julia Gillard’s \$2.6 billion election rail link will be seen by many as blatant (financially absurd) pork-barrelling in the seat of Bennelong. It has probably ‘stripped’ her of any credibility on economic matters – such as managing the economy, minimising rises in day-to-day living costs or reducing taxes – and ‘linked’ her to the financially incompetent NSW State Government.”

Electors were asked: *“If a Federal Election for the House of Representatives were being held today — which party would receive your first preference?”*

This telephone Morgan Poll on Federal voting intention was conducted today, August 14, 2010 with an Australia-wide cross-section of 966 electors. Of all electors surveyed, 5.5% (up 0.5%) did not name a party.

For further information:

Gary Morgan: Office +61 3 9224 5213 Mobile +61 411 129 094

Michele Levine: Office +61 3 9224 5215 Mobile +61 411 129 093



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McEwen ALP 55.5% cf. L-NP 44.5% in Special Morgan 'Victorian Marginal Seat' Poll **'Gender Gap' set to deliver McEwen to Gillard Government**

A special telephone Morgan Poll conducted tonight (August 16, 2010) in the key marginal Victorian electorate of McEwen – won at the 2007 Federal Election by retiring Liberal MP Fran Bailey – shows the ALP 55.5% set to defeat the L-NP 44.5% – a 5.5% swing since the 2007 Federal Election.

Analysis by Gender reveals that in McEwen the ALP is still benefiting from a significant 'Gender Gap' with women supporting the ALP 61% cf. L-NP 39% on a Two-Party preferred basis while men are evenly split: ALP 50% cf. L-NP 50%.

The country/city split is apparent in McEwen with the metro areas of Melbourne (Outer Northern suburbs) favouring the ALP 62.5% cf. L-NP 37.5% while the rural areas of McEwen favour the L-NP 51.5% cf. ALP 48.5%.

Looking at the primary voting intention shows the ALP 42.5% (up 2.3% since the 2007 Federal Election), clearly ahead of the L-NP 39.5% (down 6.3%). The record high primary vote of the Greens 16.5% (up 7.8%) has increased strongly while Independents/Others are just 1.5% (down 3.8%). The higher Greens vote augurs well for the Greens likelihood of winning the seat of Melbourne ([last weekend's Australia-wide Morgan Poll, ALP 51% cf. L-NP 49%, showed a Melbourne metropolitan Green vote of 14.5%](#)).

Gary Morgan says:

"As identified by Michele Levine yesterday on [Insiders \(ABC1\)](#), for the ALP to retain Government they will need to win Liberal marginal seats in Victoria (including McEwen & La Trobe) and possibly in South Australia (Sturt) to counter expected ALP losses in New South Wales, Queensland and Western Australia - outlined in the special telephone [Morgan Marginal Seats Poll](#) released on Sunday.

"Tonight's special telephone Morgan 'Marginal Seat' Poll in the key Victorian marginal seat of McEwen is good news for the incumbent Gillard Government with the ALP 55.5% (up 5.5% since the 2007 Federal Election) well clear of the L-NP 44.5% (down 5.5%) – showing the ALP set to win.

"The retirement of popular Liberal MP and MP for McEwen Fran Bailey appears to have hurt the Coalition as women (ALP – 61% cf. L-NP – 39%) clearly favour the Gillard Government while men (ALP – 50% cf. L-NP – 50%) are evenly split.

"Even allowing for this 'local member factor' and the fact that McEwen comprises growth areas like Whittlesea, on these figures the Federal election will be close, with the Gillard Government looking to gain at least some of the needed seats in Victoria and South Australia.

"Tomorrow Roy Morgan will release a special telephone Morgan Poll conducted in La Trobe – the other key Victorian marginal seat the Government is hoping to 'gain' from the Coalition (won by Liberal Jason Wood at the 2007 Federal election by just 1.01%)."

Primary Voting Intention

	McEwen (VIC) – Projected: ALP gain	
	Fed. Election Nov. 24, 2007*	Morgan Poll Aug. 11/12, 2010
	%	%
ALP	40.2	42.5
Liberal	45.8	39.5
Greens	8.7	16.5
Independents/ Others	5.3	1.5
Total	100	100

202 electors were polled in the electorate of McEwen. Of all electors surveyed, a high 6% of electors did not nominate a party.

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said her organisation's portfolio had the most renewables investment in China, where there is real investment certainty.

The green elephant

Business leaders are demanding that **Julia Gillard** and **Tony Abbott** tackle nuclear power as part of the policy debate amid fears the energy sector faces blackouts and further hikes in power prices, *The Australian* reported.

A wider net

The **Department of Climate Change and Energy Efficiency** advertised that the thresholds have lowered for the mandatory reporting of greenhouse gas emissions and energy use, and wants to alert businesses likely to be required to report under the National Greenhouse and Energy Reporting Act 2007. The delayed introduction of the Government's Carbon Pollution Reduction Scheme does not change current obligations under the act, reporting@climatechange.gov.au.

Popularity indicates something

The *Herald Sun* reported that the Government has restarted the \$420m solar scheme just in time for the election. The scheme gives grants of up to \$50,000 to schools for solar panels, hot water heaters and water tanks. It was suspended in October because the government ran out of money after a flood of applications.

Timber

The Gillard government has offered to finance a potential breakthrough between environmentalists and forestry companies to end a decade-long conflict over native forest logging in Tasmania, *The Age* reported.

Cassowaries crossed

The Rainforest Information Centre launched a campaign to pressure Environment Minister **Peter Garrett** to commit \$60m to buy back land designated for housing in the Daintree, north of Cairns, and at Mission Beach to the south. It is feared fewer than 1000 cassowaries remain in the wild. The RIC says planned subdivisions at Mission Beach will create more than 1000 residential blocks and cut off natural vegetation corridors which are crucial aspects of the giant bird's habitat. About a third of Mission Beach's cassowaries starved to death after cyclone Larry in 2006, *The Age* reported.

A taste for plastic

Australians have consumed almost 14 million tonnes of plastic since 2000, according to a release by the Plastics and Chemicals Industries Association, tonnes of which have found their way into the ocean, *The Age* reported. 'Marine debris is now a real threat to marine life,' says **Lydia Gibson**, of the wildlife preservation group, the WWF. 'High concentrations of plastic material, particularly plastic bags, have been found blocking the breathing passages and stomachs of many marine species.'

Leave the birdshit alone

Environment Minister **Peter Garrett** has declared the end of phosphate mining on Christmas Island to protect threatened species after a warning that the island is suffering a deep ecological malaise, *The Australian* reported.

Baby elephants and tigers

The *Herald Sun* reported that baby elephants and tigers would vanish from our zoos under a Greens proposal to ban animal imports. The policy would block imports except where the importation will assist the overall conservation of the species.

Like a tiger

The *Herald Sun* reported that a new report by WWF and the Humane Society International has found the Environment Protection and Biodiversity Conservation Act needs more teeth.

BROADBAND & IT

Inflating, deflating, reflatting

A re-elected Gillard government would offer ultra-fast internet access to an extra 1.6 million homes and offices and extend the national broadband networks projected fibre footprint from 90 per cent to 93 per cent of the population. Communications Minister **Stephen Conroy** said he would adopt consulting firm McKinsey's recommendations that 300,000 more existing premises, and 1.3 million new homes built between now and 2017-18, get fibre connections, the *Financial Review* reported. Nearby, industry group Internet Industry Association's chief executive **Peter Coroneous** has called for the de-politicisation of national broadband policy, saying bipartisan support for fast internet services is critical for a healthy economy.

Nearby

Communications Minister **Stephen Conroy** had a simple campaign message for Australia's \$100b a year information and communications technology sector. Back Labor and its \$43b national rewiring agenda or lurch back to the telecommunications dark ages and watch the world pass you by, the *Financial Review* reported. The executive director of the Council of Small Business Australia, **Peter Strong**, heavily criticised the Coalition policy that would discontinue the NBN if it attained office. *The Age* reported that the Coalition offered \$6.3b scheme for faster internet, making a virtue of a patchwork approach by using a variety of technologies to provide faster broadband, but declared it would not enter a spending arms race with the Government on the broadband issue.

Filter jammed

Julia Gillard has put Labor's plans to filter internet pages off indefinitely. The politically motivated deferral – which the opposition immediately branded a humiliating backdown – follows other recent policy reversals, softenings and adjustments as the government moves to allay the concerns of various constituencies before the election. *The Age* reported that hopes of a voluntary filter of child pornography becoming industry-standard across all internet service providers was dealt a blow, with significant mid-size carrier Internode declaring that it will not participate. Communications Minister **Stephen Conroy** announced the government would hold off on its proposal until a year-long review of refused classification rules had been completed.

The *Financial Review* reported that Conroy publicly criticised a couple of internet service providers for refusing to stop their customers accessing offensive websites. He also called on Google to drop its opposition to his proposed mandatory internet filter. The filter is popular with many parents and Christian voters. It has met strong opposition from free-speech activists and some in the internet industry. *The Australian* reported that treasury spokesman **Joe Hockey** said the Coalition will not support the government internet filter and would scrap it entirely if elected to government.

Smooth the way to smoothness

Local councils that smooth the way for the rollout of overhead cables and for trenches will get swifter access to the national broadband network, NBN Co says. The statement will put greater pressure on local government to limit their objections to the rollout, which some fear could create eyesores, and reduce the prospect of councils banding together to raise concerns. Speaking to a gathering of local government representatives, NBN Co employee **Duncan Bremner** said the government-owned company would rely on council assistance in installing the 250,000 kilometres of fibre cable, *The Age* reported.

Big dollars

The Age reported that the Government is set to earn millions of dollars from an auction of wireless broadband spectrum to be held in late 2012. The auction of 126 MHz broadband spectrum will allow telecommunication providers to expand wireless and mobile broadband services and provide capacity to meet Australia's telecommunications needs. Telecommunications companies are expected to bid millions of dollars for allocations because the size of their allocation determines the volume of data the networks can carry. The spectrum auction is needed to establish the next generation of mobile broadband technology in Australia, known as Long Term Evolution technology. Telstra will be able to bid for the spectrum only if shareholders agree to the deal the Government announced in late June (see above). *The Australian* reported that the pending sale of wireless spectrum could net the government as much as \$3b.

Emergency spectrum

Emergency services could miss out on the next generation of communications equipment if the Government goes ahead with plans to lease spectrum to major telcos instead. Police, fire and ambulance authorities around the country have been quietly pushing the government to set aside spectrum that would allow new communications, mapping and video systems to be used in an emergency. But the Government has so far shrugged off the appeal and is preparing to auction off the spectrum, with mobile phone carriers the most likely bidders in an auction expected to add at least \$1b to federal coffers, *The Age* reported.

Its core purpose

Communications Minister **Stephen Conroy** says he is willing to consider a review of the ABC's charter if the government is re-elected, amid accusations the broadcaster has drifted beyond its core purpose. Some commercial rivals have complained that the ABC has overstepped the charter with its expansion into rolling TV news, regional news websites and online opinion. A review of the charter would renew debate over the

role the broadcaster ought to perform and whether it is in compliance with its present obligations, *The Age* reported.

Small change

The Age reported that Telstra has been fined \$18.5m for breaching its licence conditions, after a Federal Court judge found that it showed no remorse for mistakenly locking broadband competitors out of Telstra exchanges. Telstra said it accepted the decision. But its competitors said the industry would be uncompetitive until Telstra was structurally separated.

Input

Retiring MP **Chris Pearce**, 47, will join Telstra as an executive responsible for securing telecommunications contracts at government agencies. The former Parliamentary Secretary has more than 15 years experience in the information, communications and technology industry. He spent time at Telstra, Optus and BAE Systems before becoming elected to Federal Parliament as a Liberal MP, *The Age* reported.

Output

Telstra sacked 330 senior and middle management employees, with chief executive **David Thodey** warning further losses were on the way. He wants to streamline the Telco's operations and speed up decision-making processes. His comments drew an angry reaction from the Communications Electrical Plumbing Union, the *Herald Sun* reported.

Coalescing

EnergyAustralia will put \$50m into building a fourth generation (4G) wireless network over the next 18 months. The project is part of a broader \$200m investment to build a smart grid, or intelligent network, designed to improve electricity management and give consumers greater control over power usage. The wireless spectrum will be supplied by Wireless Broadband Australia, which is owned by the Seven Network. The network is capable of handling smart meter information from the homes of Energy Australia's 1.5 million customers. It will also transmit data from 12,000 smart monitoring devices on the distributors' electricity network, 3,000 mobile computers carried by field engineers and 200 major substations. The electricity distributor has conducted wireless trials in a small number of Newcastle and Sydney suburbs during the past two years, the *Financial Review* reported.

Fragmentary

The Australian Information Industry Association and the Australian Computer Society say Australia's technology performance has suffered due to Labor's fragmented approach to the sector. However, the two industry groups disagree on how the sector should be organised within the government ministries, *The Australian* reported.

Luddites

The Australian Information Industry Association issued an election manifesto, calling on all parties to include policies to position the nation as a leader in the global digital economy, the *Financial Review* reported. The Opposition has said they will stop spending on the Labor government's \$43b national broadband network, on providing notebook computers to high school students at a cost of \$2.4b, and building the \$467m national electronic health record, with the savings from those

programs going towards policy priorities and debt reduction. But the lack of detailed technology investment alternatives threatens to position the opposition as Luddites in the election campaign.

Internet tenets

The Australian reported that the Coalition revealed its alternative to the Government's \$43b national broadband network will be based on three tenets aimed at improving internet access to broadband-starved Australians. The plan will involve reviving large parts of the Howard government supported **Opel** project to provide internet access to under-served parts of the country. The Opel project called for a \$1.9b rural and regional broadband network using wireless and satellite technology, but it was pushed aside to make room for the national broadband network six months after Labor government took office in 2007.

Near-national broadband network levels

Optus has quadrupled the potential speed of its broadband network in Brisbane, Melbourne and Sydney by upgrading the network it uses to send out pay TV and internet services. It said the \$25m upgrade of its hybrid fibre coaxial cable network, executed in partnership with network provider Cisco, was expected to improve speeds to near-national broadband network levels for participating customers, the *Financial Review* reported.

Heavy in detail...

The AIIA newsletter often provides policy updates that are short in words but heavy in detail regarding ICT developments. A June update noted that the Australian Government Information Management Office is undertaking initial activity to establish a panel of suppliers capable of providing data centre facilities to the government. The panel of suppliers will be selected based on the responses to a future Request for Tender to join a Panel for the Provision of Data Centre Facilities.

The Square Kilometre Array

CSIRO scientist **Brian Boyle** is the head of Australia's pitch to be the site of the Square Kilometre Array, the world's biggest – by far – radio telescope. Set to begin construction in 2016, the telescope will cost \$2.5b to build and \$25b to maintain over the next 50 years, paid for by a consortium of 19 countries. The Square Kilometre Array will have 10,000 times the discovery power of today's biggest radio telescopes.

Paper saver

The Do Not Call Register has been expanded to allow people to register fax numbers. The registrations will last for five years in line with recent amendments to legislation.

BUSINESS, ECONOMY, TAX

In a pretty good position

Reserve Bank Governor **Glenn Stevens** has undermined one of the key Coalition election policy planks, declaring Australia has virtually no net public debt. At the same time, **Tony Abbott** was in Melbourne pledging \$1.2b in spending cuts and a complete focus on getting debt and deficit under control. Stevens indicated the reserve would raise interest rates at its meeting on August 3, less than three weeks before the election, *The Age* reported.

No rate rise

The Age reported that the unexpectedly low inflation figures for the June quarter meant homeowners were spared another \$50 a month on their mortgage bills. And the Reserve Bank was spared the unpleasant task of lifting rates in the middle of an election campaign. The lack of an interest-rate rise is likely what prompted **Julia Gillard** to switch her election campaign focus to economic management.

Overboard

Julia Gillard and **Tony Abbott** are about to get a once-in-a-generation chance to reshape the board of the Reserve Bank of Australia, the *Financial Review* reported. For the first time since the RBA was established 50 years ago with **H.C. 'Nugget' Coombs** at the helm, all six external members of its interest-rate setting board will have their terms expire during a single Parliamentary term. History shows both sides of politics have made some controversial choices when it comes to deciding who gets to vote, along with the RBA's senior officials, on the direction of interest rates.

Back in black, same as Government

The Age reported the Treasurer **Wayne Swan** moved to shore up Labor's economic credentials by releasing a pre-election update confirming that the budget will be back in black within three years.

Commercial reality

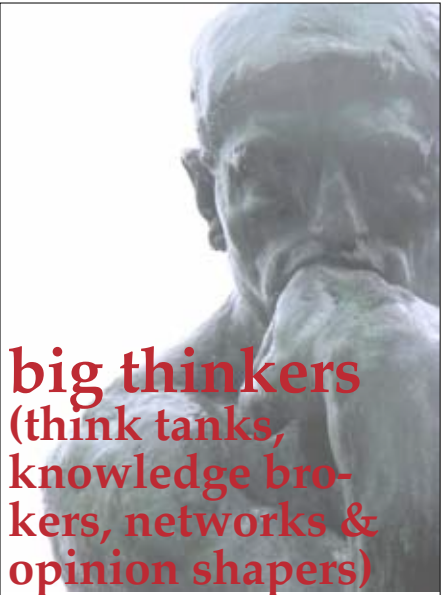
The Australian's economics correspondent **David Uren** wrote that, across the business community, Treasury secretary **Ken Henry** is seen to have displayed an extraordinary ignorance of commercial reality. In Canberra, among ministers and backbenchers and across the public service, there is an expectation that the most powerful Treasury secretary in Australia's history will be cut down to size. Rudd signalled in his first interview as Labor Prime Minister in 2007 that Henry would have a far greater role in his government, declaring the Treasury was full of people wanting to advance the cause of economic reform.

Revenue forecasts

Treasury Secretary **Ken Henry** cited assurances from mining executives, and his department's due diligence officials, to fend off suggestions the resources tax is unlikely to raise the \$10.5b forecast by the government, after it faced a barrage of questions from opposition senators about the assumptions underpinning the revenue forecasts, the *Financial Review* reported.

Kicking shins

The Age reported that Fortescue Metals Group's **Andrew Forrest** has reignited the campaign against the Government's Mining tax, while launching an attack on former BHP Billiton chairman **Don Argus** and Greens Senator **Bob Brown**. Small and mid-tier miners, represented by the Association of Mineral and Exploration Companies, have revived their advertising campaign against the revised minerals resource tax. The new television and radio ads warn all Australians they will 'get whacked' by the Gillard government's new mining tax. The ad blitz is designed to indicate that not only miners will be affected if the proposed tax – with \$10.5b over two years – is imposed. Shoppers, waiters, office workers, children and retirees feature in the ads,



big thinkers (think tanks, knowledge brokers, networks & opinion shapers)

The 2009 edition of Affairs of State's latest publication Big Thinkers (thing tanks, knowledge brokers, networks & opinion shapers) has just been launched by historian Geoffrey Blainey.

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which show them dropping whatever they are carrying, the implications being this is how the new tax will hit them.

Nearby

The Age reported that junior miners have criticised the Government's hand-picked consultation panel chosen to review its proposed resource rent tax, by saying it continues the big company paradigm in negotiating an outcome. Fortescue Minerals chief **Andrew Forrest** led the attack against the tax from the Diggers & Dealers conference in Kalgoorlie, warning that the industry campaign would rage on should the Gillard government win the election.

Progressive economics

The Australian reported that **Julia Gillard** is planning to bring a different approach to economic reform, with her policy heavily influenced by progressive think tank Per Capita. It is a relationship which strongly resembles the one established between former British prime minister **Tony Blair** and London-based think tank Demos, which paved the way for greater private-sector involvement in the delivery of human services.

Unprecedented

Graeme Samuel, head of the Australian Competition and Consumer Commission, has launched an attack on 'unprecedented, inappropriate and unacceptable' rumours about the commission's talks with National Australia Bank over the bank's proposed \$13.3b merger with AXA Asia-Pacific, *The Age* reported.

Next

The Age reported that corporate law changes passed recently will change the way companies calculate whether to pay a dividend. Until now, a company can only make a payout to shareholders if it has made a profit, or still has retained earnings in its accounts from previous years. Companies now will be able to declare a dividend so long as they pass a solvency test.

Go west...

The Australian reported that retail superannuation funds outperformed industry funds last financial year for the second time in a decade, benefiting from their higher exposure to shares. Data from researcher Chant West shows that in the year to the end of June, retail funds as a group performed better than industry funds, returning 12 per cent versus 9.7 per cent. Nearby, it was reported in *The Australian* that Labor succumbed to a campaign from artists and gallery owners to ensure Australians can continue to load up super funds with art and collectibles.

No minimum balance

According to the Cooper review of superannuation, do-it-yourself funds will have no minimum balance imposed, as mooted by former superannuation minister **Nick Sherry**. The review finding expressed concerns that a quarter of the 423,000 DIY funds had less than \$200,000 but acknowledged this was generally a conscious choice, *The Financial Review* reported.

Cha-ching

One of the giants of Australia's advertising industry, **Harold Mitchell**, has signed a \$363m deal to sell the company he founded 34 years ago to Britain's Aegis Group, *The Age* reported.

Over there

Ann Pickard's appointment as chairman of Shell Australia, replacing **Russell Caplan**, who is retiring after 42-years with Shell, will see Shell's head office moved from Melbourne to Perth. Just eight months ago Rio Tinto restructured its reporting lines, with Perth-based iron ore boss **Sam Walsh** taking charge of the miner's Australian corporate office. There is also speculation that BHP Billiton chief executive **Marius Kloppers** wants to downsize and close the Melbourne head office and move to Perth to be closer to the miner's iron ore, nickel and petroleum operations.

Postmodern arrangement

Australian gallery owners and dealers are in revolt over the government's artist resale royalty scheme, which came into effect in early June. Though many concede the intention was honourable, the effect, they fear, will be dreadful. Prices will rise, administration costs will multiply, and only those artists who are already well off will see any significant benefit, the critics say, *The Age* reported.

Phoenix activity

The Financial Review reported that insolvency practitioners warn honest small businesses will suffer if the Australian Taxation Office is overzealous in applying its new power to demand security deposits to guarantee future tax liabilities. The Tax Office said the laws were necessary to stymie the annual \$600m in losses sustained by taxpayers because of Phoenix activity. However, the ATO declined to comment on how it will apply the laws until the bill received royal assent. It is estimated that deliberate liquidations cost the economy as much as \$2.4b a year. The ATO promises it will use 'sparingly' the new powers giving it the opportunity to demand security deposits from people with bad tax histories. If small businesses are struggling due to cash flow problems and tell the ATO about them, the powers will not be used. Businesses that are asked to provide a security deposit can appeal to the ATO in the Federal Court.

Nearby

The executive director of the Independent Contractors of Australia, **Ken Phillips**, says that while small business is not a high profile election issue in the media it is one that simmers underneath the whole time, and recent suggested changes to the way some small businesses are taxed could affect how small business owners vote. Independent contractors and small business owners make up 18 per cent of the workforce – that is more than 2 million voters. Small businesses provide employment to 5 million workers in total, accounting for half the country's private sector workforce.

A Board of Taxation report, endorsed by Assistant Treasurer **Nick Sherry**, recommends changes to personal services income laws, intended to weed out sham contractors who evade tax. The proposed changes will see more independent contractors classified as employees for tax purposes, restricting the tax deductions available to them. It also recommends changes that could force contractors, such as plumbers and electricians, to detail every item of work done and allocate them between capital and non-capital costs. Phillips believes it's a compliance nightmare of ridiculous proportions, *The Age* reported.

Still in the small business arena

Senior National Australia Bank executive **Joseph Healy** renewed his call for public debate on business credit, saying the existing capital rules had crimped lending to small companies. The Council of Small Business Organisations of Australia has echoed Healy's comments and called on the major political parties to address the business credit crisis, the *Herald Sun* reported.

Quick time

Companies were given just two weeks to comply with new reporting requirements to disclose any shares, rights or options granted to their employees or face fines from the Australian Taxation Office, the *Financial Review* reported.

Seminars

Innovation Minister **Kim Carr** announced the Government will commit \$2.4m over the next six months to fund more than 300 knowledge and skill development seminars and workshops targeted at small to medium businesses throughout Australia. The events are funded by Enterprise Connect's Workshops, Industry Intelligence and Networking Service, www.enterpriseconnect.gov.au.

Not in plain sight

The **Alliance of Australian Retailers** took out a full-page advertisement in *The Age* saying that the government proposal to mandate plain packaging for cigarettes makes it very hard for owners of Australian corner stores, convenience stores, milk bars, newsagents and service stations to run their businesses successfully. That's why they formed the alliance of Australian retailers, a group representing 15,000 mostly small-business owners. Plain packaging has been considered in the UK and Canada, the advertisement tells us, and both countries rejected it.

The Australian reported that the retailers group that launched the \$5m advertising blitz – using tobacco industry money – was registered as a company less than a fortnight before the advertising campaign began. *The Age* reported that Labor party-affiliated lobbying firms are representing the tobacco companies financing the advertising campaign. The federal register of lobbyists reveals strong Labour links to two of the big tobacco companies, Philip Morris and British American Tobacco, which are bankrolling the newspaper and TV ad campaign. Coles dropped out of the alliance.

GOVERNANCE

There was a cabinet code?

The Australian reported the Prime Minister **Julia Gillard** was accused of scandalous disregard for national security amid revelations she sent a former bodyguard to attend highly sensitive security meetings on her behalf. Her decision to have police officer turned junior adviser **Andrew Stark** take notes of meetings of the national security committee and use them to report back to her was in breach of the Rudd government's cabinet code. The same paper later reported Gillard's decision to allow the former bodyguard to sit in her place at security meetings that considered sensitive intelligence could put at risk the strength of Australia's alliance with the US. US experts expressed dismay at her decision to regularly send a junior staffer to the meetings.

Ouch! Hit by money

Prime Minister **Julia Gillard** has promised to pay \$150 more a fortnight – or \$4,000 a year – to families with children aged 16 to 18 who are at school or studying full-time. The payments will be made from 2012 and will apply to about 650,000 teenagers in families that qualify for the means-tested Tax Benefit Part A and will cost \$668m over three years. Meanwhile, opposition leader **Tony Abbott** launched a modified version of his parental leave scheme, which is being paid for by a levy on thousands of businesses with taxable income above \$5m. Abbott announced a starting date of July 1, 2012. That means the Coalition scheme, while considerably more generous than the Labor model – 26 weeks at the mother's full income, compared with 18 weeks at the minimum wage – will start 18 months later, *The Age* reported.

Gillard's network

An interesting story in the *Financial Review* by **Marcus Priest** observed **Julia Gillard's** relentless rise to the top has been aided by a careful nurturing of contacts and friends across politics, government and business. With clever research and reflections, 30-plus (very) influential people are listed amongst her network. On the opinion pages of the *Herald Sun* **Susie O'Brien** asserted that rather than moving us forward, the Prime Minister is actually turning the clock back 40 years as she revives the spirit of us against them '70s feminism.

Egg-defence system review

The Herald Sun reported that security arrangements for **Julia Gillard** are likely to be reviewed after she narrowly missed being struck by an egg thrown at close range. Footage showed the egg was thrown by a man standing in the foyer of a Perth radio station as she entered for an interview.

Enough to make you blanche

Paul Keating was an ailing vacillator, **Graham Richardson** was a gifted liar and **John Button** was ineffectual, according to a new book – *Hawke: The Prime Minister* – about the prime ministership of **Bob Hawke**, *The Australian* reported. Written by his wife, **Blanche D'Alpuget**, the book draws on the testimony of the former Prime Minister's closest advisers and ministerial colleagues to paint a mostly favourable picture of his tenure from 1983 to 1991. **Julia Gillard** launched the book at The Wharf Restaurant in Sydney. Nearby, D'Alpuget said she was insistent that whoever played her

husband in the recent telemovie about him had to have a strong face and great hair. The Hawke mane was so crucial to the success of the project that it cost producer **Richard Keddie** \$30,000 in Hawke wigs handcrafted by one of Hollywood's top European wigmakers. The *Financial Review* reported that Gillard said she intends to model her prime ministership on the 'gold standard' set by former Prime Minister **Bob Hawke**, now officially her political mentor. One of the devices Hawke used – and still uses – when engaging with people, was to look them very directly in the eye.

Standing up for the little guy

The Financial Review reported that business groups are split on whether to back the Coalition's plan to extend protection against unfair contract terms to the country's 2.1 million small businesses. Umbrella groups for small firms welcomed the plan but big business advocates said it would increase litigation and push up costs. Opposition Leader **Tony Abbott** announced he would protect small businesses from unfair terms in business-to-business contracts to halt the use of harsh terms by big firms and crackdown on what he called a significant imbalance in the parties' rights and responsibilities. The Government omitted business-to-business contracts from its recent protection.

Dog with a bone

The ACTU kicked off its marginal seat campaign for the federal election in key battlegrounds in New South Wales under the slogan, 'Work Choices: whatever the name, never again', the *Financial Review* reported. *The Australian* reported that the campaign is aimed at recapturing the fear of the Howard-era industrial laws, using one of the images and almost identical wording of its effective 2007 assault against the WorkChoices laws. The ads see a return of 'Tracey', the sacked mother played by actor **Fiona Walsh**, in a new version of the ad widely regarded as one of the most powerful advertising images of the last election.

The Age reported that **Tony Abbott** kicked off his campaign by declaring: 'WorkChoices is dead. Today I've not just buried the body but cremated it too'. The Opposition workplace relations spokesman **Eric Abetz** appeared to contradict his leader, telling ABC radio that the coalition's policy could involve tweaking the legislation.

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Polls over principles

Human rights lawyer **Julian Burnside, QC**, has thrown his weight behind the Greens to gain the balance of power in the Senate, accusing Labor and the Coalition of being driven by polls rather than principles, *The Age* reported.

Earning their money

A report giving federal politicians a pay rise has been shelved until after the election campaign. The Remuneration Tribunal was to announce the size of the pay rise in mid-July, but has decided to sit on it. The Prime Minister's annual pay could rise by \$10,221 if the tribunal awards a pay rise of 3 per cent as it did last year, while the opposition leader could gain \$7,272. A backbencher's salary could increase by \$3,931, the *Herald Sun* reported.

Then there were eight

The *Financial Review* reported that three years on from the Howard government there are only eight department secretaries left from that year. There are 19 Commonwealth departments. The eight remaining secretaries from the previous government: **Conall O'Connell** (Agriculture); **Lisa Paul** (Education and Employment); **Jeff Harmer** (Families); **Ian Watt** (Defence); **Jane Halton** (Health); **Andrew Metcalfe** (Immigration); **Mark Paterson** (Industry); and **Ken Henry** (Treasury). Of them, only Watt is in a different job (he was Finance). Paul absorbed an entire extra portfolio (Employment).

INFRASTRUCTURE

Priority projects

The Government gave \$2.2b in taxpayer funds to infrastructure projects that its own adviser questioned as economically unviable or not ready to proceed. An Australian National Audit Office report found six rail, road and port infrastructure projects announced in the 2009-10 budget, as well as two rail projects funded in this year's budget, had not made Infrastructure Australia's short list of priority projects, *The Australian* reported.

High-speed rail discussions

Infrastructure Minister **Anthony Albanese** has announced plans for a new 1,731 kilometre Melbourne to Brisbane inland rail freight route through western New South Wales costing \$4.7b. He also announced that work would begin this year on a detailed feasibility study to identify a corridor for a high-speed rail link between Brisbane and Melbourne, focusing on the corridor between Sydney and Newcastle. The \$20m study into the fast rail link is expected to take 18 months. The inland-freight rail link commitment follows a two-year, \$15m study by the Australian Railtrack Corporation that outlined the route for the new link. The selected route travels from Melbourne, through Seymour, Albury, Wagga Wagga, Parkes, Moree and Toowoomba on its way to Brisbane, *The Age* reported.

Waterfront criminality

The recent launch of the joint federal and New South Wales police task force – the first attack on waterfront criminality since the 1980 Costigan Royal Commission – will increase pressure on the Federal Government to close holes in its maritime security. The unhealthy state of waterfront security is also a key challenge in Australia's fight against terrorism, with police intelligence linking local terror cells with criminality on the waterfront and the importation of drugs and weapons, *The Age* reported.

Porked and possibly punished

A report into a key plank of the Government's stimulus package has raised questions over whether administration of the \$550m infrastructure scheme amounted to pork barrelling. The Australian National Audit Office report found that spending was evenly spread across seats held by the Government and the Opposition, but the proportion of applications approved was much higher in Labor seats, *The Age* reported. The Australian reported that **Tony Abbott** has called on voters to punish Labor for pork barrelling after the release of the Auditor-General's report, but has conceded the Howard government was subject to similar criticisms in 2007.

More pork

The Labor Party promised \$72m in new funding for local infrastructure projects such as BMX tracks, sports stadiums and surf lifesaving clubs in the first two weeks of the election campaign, predominantly in marginal electorates, the *Financial Review* reported.

Grid-locked capitals

The Council of Capital City Lord Mayors, which includes the lord mayors of all state capitals, wrote to the Labor and Coalition leaders, warning that policies investing in regional centres will not solve the traffic gridlock expected to cost \$20.4b by 2020. Melbourne Lord Mayor Robert Doyle said he wanted a big city but less sprawl, *The Australian* reported.

EDUCATION

Tax break wars

The *Herald Sun* reported that **Julia Gillard** promised parents a tax break of up to \$779 for each child on the annual cost of buying school uniforms if she wins the election. Her first election pledge will cost about \$220m over four years and is aimed at helping ease the cost of living for families. But it will apply only to uniforms bought

after July next year and the money will not flow back to the household budget until families lodge their 2012-13 tax return.

The *Financial Review* reported that **Tony Abbott** challenged **Gillard** on her home turf of education with a \$760m tax refund that would make private schools more affordable for some voters. *The Age* reported that Labor has attempted to neutralise the potentially damaging election backlash from private schools – and angered public education advocates – by guaranteeing existing funding will stay until 2013. Later in the election campaign, Labor unveiled a \$388m program where schools will be eligible for new incentives of up to \$100,000 if they can boost literacy, numeracy and attendance rates.

Political momentum

The Australian reported that **Julia Gillard** promised parents and principals greater control over their schools as she turned to her policy strength of education in an attempt to regain political momentum in the election campaign.

Judo chop

Tony Abbott's plan to scrap Labor's \$2b digital education revolution (DER) program would cost almost 600 jobs in New South Wales alone. Children entering year nine would not receive a computer each under an Abbott-led government, although the Coalition would try to honour all supply contracts inked under Labor's DER scheme, *The Australian* reported.

Cadets

The Age reported that high school students doing trade courses will be able to collect credits towards apprenticeships under a Labor Government. Prime Minister **Julia Gillard** announced a new National Trade Cadetship scheme to operate from 2012 as an option for students in years 9-12.

Not too bad

Simon Crean has promised to release a potentially embarrassing report on the school building program before the election if he receives it during the campaign, *The Age* reported. *The Australian* reported that **Julia Gillard** conceded the delivery of her school building program was flawed but she has assured voters that she has learned from her mistakes. Upon the release of the report, *The Age* reported that **Julia Gillard** claimed it vindicated the government's response to the global financial crisis.

While the interim report by a government taskforce contained some criticism of the program, it is not damning enough to do serious damage to the Prime Minister's campaign. The \$16 billion Building the Education Revolution infrastructure program was a central part of the government's economic stimulus plan to avoid recession in Australia. The report found 20 per cent of complaints came from Victorian government schools, with 56 per cent from New South Wales government schools. It said the majority of complaints raised valid concerns, particularly on value for money and consultation. Gillard declared she has no regrets about the scheme.

Another audit

The Auditor-General is probing the Gillard government's \$2.4b school computers program with particular focus on payment arrangements, monitoring and reporting of the fund, and on costs. News of the audit came a day

after the Prime Minister admitted the BER program was flawed because it was designed in haste amid the global financial crisis. The DER scheme, to cost taxpayers \$2.4b over seven years, aims to give high schools at least one computer for every student in years 9 to 12 by the end of 2011, *The Australian* reported.

HEALTH

Money for mental health

The Age reported that **Julia Gillard** sought to counter criticisms of Labor's record on mental health with the promise of \$227m for suicide prevention. The proposal has been criticised by mental health professionals as inadequate. International researcher and youth advocate **Patrick McGorry** said the funding was welcome but it did not come close to providing mental health reform.

A policy initiative

Parents of young children with disabilities will be given \$12,000 to help them pay physiotherapists, speech pathologists and other early intervention treatment if the Labor government is re-elected. About 7,880 children are expected to benefit, although the scheme applies only to children aged six and under, and only to particular disabilities, including vision and hearing impairments, cerebral palsy, Downs Syndrome and Fragile X syndrome. Many other children are excluded, *The Age* reported.

Late night visits

The Age reported that the Government has promised to spend \$96m on new emergency room doctors and nurses should it win the election. Meanwhile, Labor's promise to revamp after-hours medical services has prompted warnings that payment changes could cause a collapse in late night visits. Meanwhile, **Tony Abbott** unveiled a policy that promised 1,500 more beds than Labor's health and hospitals package and more direct community control over public hospitals.

Competition

Doctors have demanded **Julia Gillard** scrap her GP super clinics program, warning that the taxpayer funded clinics are stealing patients from existing surgeries, *The Australian* reported. The Australian Medical Association said the Government, for a fraction of the money, could help existing practices expand to cope with increased demand to ensure that patients have the peace of mind of knowing they're still in the care of their regular GP.

Conundrum

The Government has hailed its \$500m pledge to provide 20 regional cancer centres as a potential lifesaver for those far from city clinics, *The Age* reported. But there could be a downside. Smaller cancer centres are more likely to provide inferior treatment, reducing the chance of ridding the patient of the disease, the first research of its kind has found.

Transition

The National E-Health Transition Authority and the Department of Health and Aging are putting the finishing touches on a procurement plan for businesses to help develop Australia's e-health system, *The Australian* reported.

In the balance

The West Australian government says it will not back down on its principal objection to the Federal Government's health reform package, despite signs Prime Minister

Julia Gillard is prepared to strike a deal with WA Premier **Colin Barnett**. WA Health Minister **Kim Haines** talked down reports of an imminent deal and health reform by declaring his government would not budge on its refusal to set aside a third of the state's GST funding for public hospitals, the *Financial Review* reported. *The Australian* reported that Gillard will offer Barnett freedom from having to sign over a third of WA's GST revenue if he backs the \$50b health reform plan.

AGRICULTURE & WATER

The political basin

The *Financial Review* reported that Labor reassured farmers that it would pay for all the water needed to revive the Murray-Darling river system, despite not yet knowing what volume will be required. Also, *The Age* reported that Labor has promised to pay off the crippling water debts of the Snowy River that have kept the famous waterway at historically low levels, in a new deal with the Victorian and New South Wales governments.

FOREIGN AFFAIRS

Kevin 747

The Age reported that former Prime Minister **Kevin Rudd** and his wife **Therese** flew to the United States to attend the Australian American Leadership Dialogue, where he chaired a session on international security. Rudd indicated he was back in campaign mode. It was also reported that he stepped out in Washington, hurrying between a series of appointments amid speculation that the deposed Prime Minister is hunting for an international posting as an alternative to staying on in Federal Parliament. Nearby, UN Secretary-General **Ban Ki-Moon** is considering creating a role for Rudd as a top-level adviser on climate change, the *Herald Sun* reported. Rudd's new post, a part time position, was announced at the end of the third week of the election campaign. Rudd will said it would allow him to make a modest contribution to the future of acting globally and nationally on climate change.

Out!

Fiji expelled Australia's acting high commissioner to Fiji in a move Foreign Minister **Stephen Smith** said is surprising and unjustifiable, *The Age* reported.

Own goals

Australia and its rival bidders for the 2022 World Cup will be barred from secretly lobbying FIFA executive committee members and will have to make written requests to access them, *The Age* reported.

The Clinton vows

Chelsea Clinton, daughter of former President **Bill Clinton** and Secretary of State **Hillary Clinton**, married in a wedding outside New York City. Archbishop **Desmond Tutu** is withdrawing from public life, *The Age* reported.

New leaf on the family tree

The Age reported that the Queen is to become a great grandmother. Her eldest grandson, **Peter Phillips**, and his Canadian born wife, **Autumn**, are expecting their first child in December. Phillips – 11th in line to the throne – is the son of **Princess Anne**, from her first marriage.

The black door

The Age reported that **Sarah Brown** is to follow her No. 10 predecessor **Cherie Blair** in publishing memoirs of life behind Downing Street's black door. Her autobiography is to be published to coincide with Mother's Day in 2011.

JUSTICE

This is now

The Australian Electoral Commission has thousands of voters to enrol after an historic High Court decision deemed laws closing enrolment on the day writs for an election are issued invalid. The High Court struck out the 2006 laws brought in by the Howard government that cut the deadline from seven days to one for enrolment and three for a change of details. Two members of the left-leaning advocacy group GetUp! **Shannen Rowe** and **Douglas Thompson**, brought the case to the High Court after missing out on enrolment in July, with their lawyers arguing that they had been excluded from exercising their constitutional rights.

That was then

An estimated 1.4 million Australians missing from the electoral roll had until 8 pm on July 19 to enrol, *The Age* reported.

Meritorious

Federal Attorney General **Robert McClelland** said there was merit in the Law Council of Australia's proposal that a new national board no longer be dominated by members nominated by Australia's attorneys-general. The LCA has asked that four roadblocks to the reform process – board appointments, governments ability to give policy directions to the board, the role of a new ombudsman and funding for national regulation – be resolved well before the August 13 consultation deadline, the *Financial Review* reported.

DEFENCE

Under the radar at election time

The **Department of Defence** has committed more than \$180m to technology contracts as part of plans to save \$20b by 2020. The parliamentary secretary for defence support, **Dr Mike Kelly**, announced the agreements: one with information technology services giant Fujitsu for 'routine operational services' and one with network company Dimension Data for terrestrial communications support, the *Financial Review* reported.

Improper ties

Former defence minister **Joel Fitzgibbon** is suing four Fairfax newspapers for suggesting he had improper ties with a Chinese-Australian businesswoman, the *Herald Sun* reported.

COALITION DOINGS

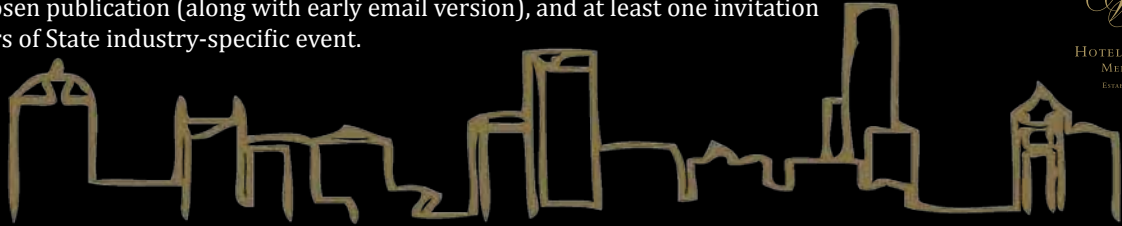
Turning green

The Australian reported that sharp division has emerged between the Liberals and the Nationals over foreign ownership of rural land and water in Australia. The split in the coalition came after its spokesman on agriculture and food security, National's MP **John Cobb**, backed a Greens plan for the registration of all foreign purchases

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of land and water supplies, in defiance of opposition policy. Coalition Treasury spokesman and Liberal MP **Joe Hockey** said he strongly opposed the idea of a registry.

Handicapped

In *The Age*, **Michelle Grattan** wrote that **Andrew Peacock**, back in his old electorate of Kooyong, committed a howler when he said that 'you'd have to be pretty handicapped not to appreciate that this government is dissolving before your eyes daily'. This would have been unfortunate even if the Labor candidate for Kooyong had not been blind.

SOCIETY

God help her

Australia's first atheist celebrated the achievement of Australia's first saint when **Julia Gillard** told an audience at Sydney Town Hall that **Mary McKillop** embodied the spirit of Australian egalitarianism, *The Australian* reported. The Prime Minister was speaking at a dinner to raise funds for the celebration McKillop's canonisation on October 17. The audience of Catholic eminences were pleased when Gillard pledged \$1.5m of Commonwealth money towards the celebrations and extended tax

deductibility to the fund-raising effort. As the author of a purported education revolution herself, Gillard lauded McKillop as an education pioneer who believed in the transformative power of a good education.

Hope they make it...

The *Herald Sun* reported that courts cleared the way for 14-year-old Dutch girl **Laura Dekker** to set sail on her quest to solo circumnavigate the world and become the youngest person to do it. *The Age* reported that Kiwi adventurer **Jeremy Burfoot** will try to travel the 32,000 kilometres from London to New Zealand by jet ski. The 51-year-old pilot will spend up to 12 hours a day astride a jet-ski on his journey to the southern hemisphere.

APPOINTMENTS, JOBS AND TENDERS

Appointments

Greg Moriarty has been appointed as Australia's next ambassador to Indonesia, replacing career public servant **Bill Farmer**, who has served in the role since 2005.

Supreme Court Justice **Hartley Hanson**, who was a Queen's Counsel before becoming a judge 16 years ago, has been promoted to the Court of Appeal.

Good Job

The **National Breast Cancer Foundation** seeks a chief executive officer Margaret.Wright@nbcf.org.au.

Tenders

The **Government** wants to know how Australia should commemorate the **Anzac Centenary**. All Australians are asked to put their ideas and suggestions forward to a National Commission about how the Australian community can be engaged to mark the Anzac Centenary, www.anzaccentenary.gov.au.

The **Department of Health and Ageing** invites applications for the fifth round of funding under the National Rural and Remote Health Infrastructure Program, www.health.gov.au/tenders.

The **Productivity Commission** invites public participation in an inquiry into the case for microeconomic reform in Australia's urban water sector, www.pc.gov.au.

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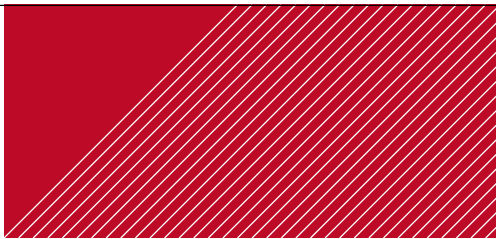
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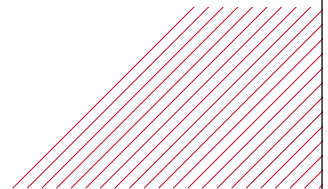
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