

LETTER FROM CANBERRA

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



18 JUNE to 22 JULY 2010 Issue No. 26: Pre-election Edition

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

Latest Roy Morgan Election Finding: What the Federal Government should do to benefit electors and their families. - Pages 11 - 14

OUR FASCINATING LANGUAGE

Editorial by Alistair Urquhart

Letter From Canberra is a publication about distilling public policy and the government decisions which effect business opportunities in Australia, and we provide the surrounding political context. One purpose of the magazine is to keep much of the unproductive political chatter away from the mind of the busy business reader. In this pre-election edition, we wrap up the political debate/activities in the first five pages.

Back when Tom Roberts painted the iconic *Shearing the Rams* in 1898, in that woolshed in the Riverina, a strong union movement was being born, and not long after that the Australian Labor Party. The founders would be proud of today's union power, strongly represented by the government and, seemingly, in this election, without competition from the Opposition.

It is difficult to remember a federal election characterised by so many imponderables, including a prime minister who has only been in the job for a few weeks. The economy is the main issue for most marginal seat voters, and for their jobs, but it is far from clear what state the economy is really in, or how it will fair over the next few years. We provide a snapshot of the issues on page 3.

Do you want some fun? Take some time away from your busy life and sit quietly, alone in front of the TV, perhaps LateLine. Listen hard to the choice of words these political fighters are actually using at the moment on TV and try to figure out exactly what they are saying, in the context of their particular party's traditional or even more recent ever-changing policies, and those of their competitor. The fun side of not switching off, and just focusing on listening to their words, is that one can hear some of the silliest nonsense for a very long time.

INSIDE

[Gillard moves forward \(to the right\)](#)

[Rudd rumbles around the globe...](#)

[Refugee policy battle. East Timor, Nauru...](#)

[Abbott stumbles on IR laws](#)

[The Greens may win balance of power in Senate](#)

[Health Identifiers passed](#)

[Telstra deal on National Broadband](#)

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WELCOME

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

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

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

For many years, our other publications have included the well-known federal government Departmental Wall Chart. (NOW AVAILABLE at 03 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.

INDEX

IN APPROXIMATE ORDER OF INTEREST OVER THE PAST MONTH

MS PRIME MINISTER	3	FOREIGN AFFAIRS	19
IMMIGRATION	4	INFRASTRUCTURE	19
RESOURCES	6	EDUCATION	20
HEALTH	7	JUSTICE	20
BROADBAND. ICT. INNOVATION	8	DEFENCE	21
INDUSTRIAL RELATIONS. EMPLOYMENT	15	AGRICULTURE. WATER	21
GOVERNANCE	15	MANUFACTURING	22
BUSINESS. ECONOMY. TAX	16	COALITION DOINGS	22
CLIMATE CHANGE. ENVIRONMENT. ENERGY	18	SOCIETY	22

A SNAPSHOT OF WHAT THE 2010 FEDERAL ELECTION PORTENDS

The leaders

Prime Minister for little more than a month, by virtue of the dramatic deposition of her predecessor, Kevin Rudd, Julia Gillard is 48, Welsh born, Adelaide-raised and educated in Melbourne. She is a lawyer, worked in industrial relations law prior to becoming a political staffer and was elected to Parliament in 1998 for a Melbourne Western suburbs seat. Since Labor's victory in the 2007 election, until her elevation as PM, she served as Deputy PM and held a host ministries simultaneously including employment and education.

Tony Abbott, 52, was born in England, raised in Sydney, was a Catholic seminarian before he decided it wasn't for him, took an arts degree at Sydney Univ and then went to Oxford as a Rhodes Scholar. Worked as a journalist for the *Bulletin*, a staffer for John Hewson in opposition, ran the monarchist campaign during the referendum, and held several ministries in the Howard government including health and education.

The issues

The Economy: the question at the heart of the campaign is who can be trusted with the economy? Labor claims much credit for steering the country through the rapids of the GFC, but rather tarnished that achievement by mishandling the stimulus package to insure us against the GFC's worst consequences. The schools building program has been a disaster of waste and incompetence and the insulation scheme not much better. The great hope for meeting Labor's promise to put the economy back in surplus in three years rests above all on their new, revamped mining tax and their new

and very hopeful forecasts of China's growth, and hence China's demand for our resources.

The Coalition points to the surplus they left Labor in 2007 and what has happened since. It says its no wonder Labor picked the slogan 'moving forward' for the simple fact is they would hardly want to look backwards at their recent record. Abbott says he will reject the revamped mining deal and still deliver a surplus by halting Labor's profligate spending spree, cutting a range of pet Labor projects (including the elaborate and hugely expensive broadband network) and by stimulating growth in the small business sector.

Industrial Relations: Labor are committed to fighting the last election on 'work choices', not least because they won that one, even if Abbott has declared work choices totally irretrievably dead (at least for the next three years). Labor will keep hammering on this open door because they figure there are votes in it, not to mention a lot of union money. Abbott wants to neutralise the issue as quickly as possible, but his fierce rejection won't assist in convincing his small business constituency that he is still their man.

Population and Immigration: Gillard has given the thumbs down to a 'Big Australia', a proxy PC version of 'stopping the boats', in order not to lose votes on this volatile issue to Abbott whose claim to stop them has more credibility.

The Wild Cards. A fleet of boats arrive off WA; China's economic forecast takes a serious dive; Abbott blows it and figuratively falls off his bike; Gillard's raving lefty past catches up with her.

MS PRIME MINISTER

A night of wildness

In *The Age*, **Shaun Carney** wrote that **Kevin Rudd's** most senior adviser **Alister Jordan** had, during the month in the lead up to **Julia Gillard's** leadership challenge, sounded out half the Labor caucus, checking if they were considering shifting their support away from the Prime Minister. To Julia Gillard, who had insisted all through this time that she had no interest in replacing Rudd, this was an act of spectacular disloyalty. **Michelle Grattan** wrote that Rudd's leadership was trashed in an extraordinary and unprecedented manner. The man obsessed with control lost control of his government, his party and his prime ministership in a night of wildness. The day before there was to be a vote on Rudd's leadership, support for him had evaporated with the Australian Workers Union backing Julia Gillard. In the face of the challenge, Rudd stood on his record and criticised factionalism, before resigning on the morning of June 25, without a leadership vote. The *Financial Review* reported that the short and sharp transition was vastly different from the lengthy brawl in 1990 that damaged the Labor government of **Bob Hawke** and **Paul Keating**.

Poll bounce

In an *Age*/Nielsen poll taken on Gillard's first two days as Prime Minister, more than half of those surveyed said they approved of her ascension. The government's two-party vote leapt eight points in three weeks, taking it to a 55-45 per cent lead over the opposition, *The Age* reported. On the same day, the *Herald Sun* reported that the ALP leads the coalition 52-48 on two-party preferred terms. Nearby, at the end of June, *The Australian* reported that primary support of the New South Wales Labor government dropped six percentage points to a record low of 25 per cent. The change in leadership has caused the Labor party machine to go into overdrive rebuilding its election campaign with **Julia Gillard** front and centre and the throwing out thousands of dollars worth of newsletters, pamphlets and other material featuring Rudd as the leader.

Resigning but not quitting

The *Herald Sun* reported that a single tear ran down **Kevin Rudd's** face as he delivered an emotional farewell to the nation. Flanked by his wife Therese and their three children, Rudd was overcome several times as he spoke about his passion to fight cancer, promote organ donation and the apology to the Stolen Generations. He will not quit politics and wants a senior role in the Gillard government, but at the moment would spend some time on the backbench. *The Age* reported that **Julia Gillard** rejected Rudd's bid to become foreign minister, instead promising him a senior cabinet post if the government is re-elected. Rudd paused scores of times as he tried to keep his composure and list the government achievements he was proud of. He nominated: riding out the global financial crisis,

jettisoning work choices, implementing hospitals reform and getting Australia into the Group of 20 among those achievements. Photos in the papers showing Rudd on the backbench provided a strange sight.

A kind of stability

The *Financial Review* reported that shortly before being sworn in as Prime Minister by the Governor-General, **Quentin Bryce**, **Julia Gillard** said 'I believe that we [the Government] have on several issues not delivered the kind of stability and certainty and good management that Australians seek'. She launched her prime ministership by promising a more consultative style of government, quite different from the 'gang of four' kitchen cabinet that wielded power under **Kevin Rudd**.

A safe pair of hands

Shortly after taking the leadership, Gillard phoned Trade Minister **Simon Crean** and offered him her old mega-portfolio of education, employment, workplace relations and social inclusion, which Crean accepted, *The Age* reported. Crean, who served as a cabinet minister in the Hawke, Keating and Rudd governments, will be called upon to prosecute the Government's claim that Opposition Leader **Tony Abbott** will try to reintroduce WorkChoices. The *Financial Review* reported that Foreign Minister **Stephen Smith** gained Crean's portfolio of trade and all other ministries were left unchanged.

Moving forward

As she grapples with three issues the government must neutralise – mining tax, asylum seekers and climate change – **Julie Gillard** has a broader challenge, wrote **Michelle Grattan** in *The Age*. She needs to fit her solutions into a story that defines, rather than confuses, her political identity. This became 'moving forward'. However, she is struggling to shed the immediate past. A major scene setting speech on the economy at the National Press Club in mid-July veered off course when Gillard was asked by veteran journalist **Laurie Oakes** whether she had in effect reneged on leadership succession deal with Rudd on the night he was toppled. It is understood that Gillard initially signalled she would not challenge his leadership during a meeting on the night of June 23 in the then PM's office, *The Age* reported. She refused to comment on what she said were confidential conversations. *The Australian* reported that Labour figures are blaming **Kevin Rudd** for the leak of what happened on that night. Rudd confirmed that he believed Gillard last month reneged on arrangement that would have saved his job as prime minister. Meanwhile, the *Herald Sun* reported that a pledge of active microeconomic reform and prudent economic management spearheaded Gillard's first major pitch to business. Gillard sought to establish her credentials as a fiscal conservative by committing to protecting the budget surplus forecast for three years time. And she sounded

a warning that China's economic growth and the demand for Australian mineral resources will be no free ticket to easy prosperity.

What?

The *Financial Review* reported that the leadership challenge was a shock to many cabinet ministers, junior ministers, Parliamentary secretaries and backbenchers throughout the Caucus – the very people who are normally involved or contacted about a leadership spill. Key factional leaders had devised their moves carefully but most of Caucus was left in the dark. Evidently, even when she went to meet **Kevin Rudd** on the evening of 23 June, **Julia Gillard** was still telling people that she had not made up her mind to challenge him. A source close to Gillard said she only took the decision during their meeting.

Choosing between destructions

The Age reported that research that showed Labor would suffer a total wipeout under **Kevin Rudd** prompted the Australian Workers Union's decision to switch to **Julia Gillard**. National secretary **Paul Howes** said he feared the situation was so dire the Coalition would be able to reintroduce WorkChoices. If that happened, the union movement faced being destroyed, he said. The *Financial Review* reported that the leadership change demonstrated that **Bill Shorten**, Communications Minister **Stephen Conroy** and Senator **Kim Carr** were a powerful combination and in effect created a new creature in the federal caucus number crunch. However, it is important to remember that the killer blow came only when the New South Wales right, stung by a crushing by-election loss at Penrith, led by **Mike Arbib** and Howes, decided enough was enough. So while the initial push might have come from Victoria, the real shove was provided from further north in the traditional powerhouse of Australian Labor. *The Australian* reported that Gillard's elevation eases the jitters for Labor in key marginal seats. On the opinion pages of *The Australian*, **Michael Costello** wrote that the unions and factions don't deserve all the credit in Gillard's ascension. Only she had the power and popularity in caucus to depose **Kevin Rudd**.

Shorten's hand

The *Herald Sun* reported that two of the Victorian ALP's heavy hitters, MP **Bill Shorten** and former ALP state secretary Senator **David Feeney** have been linked to the push to end **Kevin Rudd's** leadership. For years they have worked in tandem to influence the direction of the party, but in recent times have had their differences within the complex power structures of the Victorian ALP Right wing. *The Australian* reported that the Victorian right faction took the unprecedented step of offering **Julia Gillard**, a member of the Victorian left, the leadership of the Labor Party.

Bolt's view

In the *Herald Sun*, **Andrew Bolt** wrote an article explaining why **Julia Gillard** can win where Rudd lost, but not before noting that our new prime minister should be able to get away with taking the leadership the way she did. Whilst

she conceded she bore her fair share of the blame for the government's failures, she did tick off on every government policy, and personally led the Building Education Revolution, the most rorted government program in history. Still, Bolt believes, her superbly executed assumption of power may just work. It's not just that she has what Rudd fatally lacks – a secure sense of self, which makes her so much easier to work with. What she now adds to the bargain is the excuse of the new – and an astonishing reinvention of herself as a Labor **Margaret Thatcher**. Rudd had performed so many backflips that he could not risk one more. But within hours of taking his job, Gillard offered miners true negotiations. What was even more remarkable about Gillard as she assumed the top job was the tone she struck. She started politics on the far Left of Labor, but pitched her spiel right at Australia's more conservative heart. In a brilliantly crafted acceptance speech, she declared she'd work for those who play by the rules and love their country. Also in the *Herald Sun*, in the same opinion section but on a different day, **Jill Singer** wrote that **Tony Abbott** is yesterday's man when it comes to the policies and issues that matter to everyday Australians.

Abbott surrounded

Opposition leader **Tony Abbott** moved quickly to paint his new opponent as an interim leader who lacked a mandate from the Australian people, as the Coalition took aim at Labor over asylum seekers and the resources super profits tax. 'They've changed the salesman but haven't changed the product,' Abbott said. Also, on the *Insiders*, Abbott noted (playing down the significance of **Julia Gillard** being the first female prime minister) that he had a female Premier, a female Governor, a female Prime Minister with a female Governor General and a female monarch. What's new? he asked.

International well-wishers

Julia Gillard has personally assured US President **Barrack Obama** of her commitment to the military mission in Afghanistan. The new Prime Minister spoke to a host of international leaders during a busy round of phone calls. Indonesian president **Susilo Bambang Yudhoyono**, Malaysian PM **Najib Razak** and Canadian PM **Stephen Harper** were among foreign leaders to congratulate her, the *Herald Sun* reported.

C'mon Eileen

MX reported that **Kevin Rudd** took his oath of office in December 2007 holding the Bible and concluding 'So help me God'. **Julia Gillard** took a Bible free affirmation. 'I, Julia Eileen Gillard, do solemnly and sincerely affirm and declare that I will well and truly serve the Commonwealth of Australia...' In a poll of the religious beliefs of federal and shadow cabinet ministers last year, Gillard said she was a non-practising Baptist and not religious. Despite her stance, Baptist Union of Victoria Director of Ministries **Alan Marr** said she had the respect of the church. RMIT social science senior lecturer **Andrew Scott** said Gillard

would appeal to a broader range of Australians. And Catholic priest **Bob Maguire** claimed that Abbott's extreme Catholic views would scare off voters, 'Australians are not religious, we are the world's leading secularists,' he said. A week or so later, the *Herald Sun* reported that **Julia Gillard** told ABC radio that she is not a religious person and will not pretend a faith that she doesn't feel. For people of faith, she said the greatest compliment she could pay them is to respect their genuinely held beliefs and not engage in some pretence about hers. Although Gillard was brought up a Baptist, and won prizes as a child for remembering Bible verses, she says she has found a different path as an adult. *The Australian* reported that the Australian Christian Lobby has said that, whilst being honest and true to herself, Gillard may have alienated Christian voters by the declaring she does not believe in God.

Won't Lodge until elected

New Prime Minister **Julia Gillard** declared she would not move into The Lodge until she was elected by the people. 'I'm very happy in my home in Altona... very happy in my flat in Canberra,' she said. Not since **Ben Chifley** in the 1940s – who lived and died in Canberra's Kurrajong Hotel – has the Prime Minister lived in lodgings other than those provided by the state, *The Age* reported. A follow-up report by the same paper said that the first broken promise of **Julia Gillard's** rein may be on the cards, with security experts and a government bodyguard describing her plan to live in her modest homes in Canberra and Melbourne as untenable. As the *Herald Sun* puts it: a security assessment will shortly be carried out by officers from the Protective Services Co-ordination Centre to ascertain if the Altona home is fit for a national leader. An old police caravan was parked opposite Gillard's house in preparation for her return to Melbourne for the first time as Prime Minister. Nearby, **Kevin Rudd** left the lodge five days after losing the leadership.

Entertainment news

On the opinion pages of *The Australian*, **Janet Albrechsten** wrote that an agile commercial operator showed the ABC how it should be done when covering a news item as big as **Julia Gillard's** challenge to **Kevin Rudd**. Albrechsten wrote that the ABC's **Chris Uhlmann** and **Mark Simkin** did a brilliant job breaking the big story on the 7 PM news, which reported leadership rumblings within the Rudd government. But if you wanted more news about Rudd's swift and dramatic downfall, you needed to channel surf over to Sky News. That night, Sky News became the default national broadcaster. An editorial in the same paper expressed a similar sentiment asking: is the national broadcaster ready for 24-hour news? ABC viewers were left frustrated and baffled as to why an event unprecedented in the nation's history, the move against the Prime Minister in his first term, received such scant attention. The ABC's flat-footedness on the biggest news night of the year provides little confidence that it is ready to use its forthcoming

24-hour news channel to break news. What the public does not need is more programs in which ABC journalists interview other ABC journalists.

Just a damn popularity contest

Former Labor leader **Mark Latham** said the move against **Kevin Rudd** showed the Labour leadership was only about popularity, and no longer about policy, values or ideology.

Not even married

A letter of the editor in *The Age*, from a lifetime Labor voter, expressed disgust at the dumping of **Kevin Rudd** as Prime Minister. In the same paper, **Michelle Grattan** wrote that Rudd received the harshest of reality checks. After his election triumph, he tried to force everyone and everything else to adapt to him.

Her partner

Julia Gillard's partner, **Tim Mathieson**, has lived with her in Altona for three years. He is not intimidated by his partner's star power. Mathieson recently made a career switch from hair stylist to a sales position with real estate development company **Ubertas**, where he has been since November. *The Age* reported that friends of the couple, who say they are affectionate with each other in public, believe Mathieson will be keen to be by Gillard's side more openly.

Some way back story

The Age reported that Victorian Premier **John Brumby** picked **Julia Gillard** as his chief of staff about 15 years ago, to help take on then Premier **Jeff Kennett**. After two years running his office in the mid-90s, Brumby helped Gillard win preselection for the western suburbs federal seat of Lalor, believing she had what it takes to become prime minister. Gillard is close to deputy Premier **Rob Hulls** (another former Brumby chief of staff). Brumby, who fell out with Rudd over the former Prime Minister's national health reform plan, said that he would pressure Gillard to reopen the debate. He said he would urge the Prime Minister to do more in mental illness, preventive health care and aged care.

Happy as Larry in Barry

The Age reported that the front page of the local paper in the small Welsh port of Barry was rewritten to make way for the big news that one of their own had become Prime Minister of Australia, even though most of the 40,000 locals had not previously heard of the child from their town who had left for Australia 44 years ago, having been born in Barry in 1961.

IMMIGRATION. POPULATION

Prime Minister for Sustainable Population

Prime Minister **Julia Gillard** declared she does not believe in a 'big Australia', signalling a major shift in policy on the nation's burgeoning population growth, in a move to neutralise an attack on the government over population, *The Age* reported. Pointedly targeting her comments to marginal voters in outer suburban seats, Gillard said 'I don't support the idea of a big Australia

with arbitrary targets of, say, a 40 million-strong Australia or a 36 million-strong Australia. We need to stop, take a break and develop policies for a sustainable Australia.' **Tony Burke**, who was appointed Population Minister by **Kevin Rudd** to develop a strategy, will now be known as the Minister for Sustainable Population. The Government's intergenerational report estimated that on present trends Australia would have 36 million people by 2050.

Nearby

The Government's new population policy is to be decided after community consultation but will focus on where people live and environmental effects. **Tony Burke** said the debate on population should be refocused to where people live, instead of the number of immigrants or total population. The government has appointed three panels to advise it on population policy.

Solution does not pacify

The above two items represent the first small steps towards neutralising another election issue causing headaches, that of illegal boat people arrivals. **Gillard** broadly invited Australians to say what they feel in the asylum seeker debate without being constrained by self-censorship or political correctness, *The Age* reported. In the same paper, **Michelle Grattan** wrote that by urging people to vent their views about the boats without worrying about political correctness, Gillard is taking a gamble. She is sanctioning the escalation of a difficult and explosive debate that turned bitter in 2001, and always has the potential to do so again. *The Australian* reported that **Pauline Hanson**, who led the populist One Nation Party to its high water mark in the 1990s, revealed she was in total agreement with Julia Gillard's call to sweep political correctness from the debate.

The *Herald Sun* reported that pressure was mounting on Gillard over unauthorised arrivals after the 75th boat of the year was intercepted in early July. *The Australian* reported that hundreds of Afghan and Sri Lankan asylum seekers are likely to be sent home under **Julia Gillard's**

tough new policy agenda to deter boatpeople. The following day, *The Age* reported a United Nations report cleared the way for the Gillard government to take a tougher stance on sending Sri Lankan asylum seekers home, saying key groups in the country were no longer entitled to automatic protection. In the *Financial Review*, **Geoff Kitney** wrote that Gillard may have helped the Coalition by putting asylum seekers in the spotlight. Immigration Minister **Chris Evans** admitted the asylum seeker debate was 'killing the government', in frank remarks seized on by the Opposition to claim Labor was only interested in a political fix.

The first foray into diplomacy

The Age reported that Prime Minister **Julia Gillard** began retreating from plans for a refugee processing centre in East Timor, amid widespread hostility to the proposal in the island nation amid claims that she bungled the announcement. Gillard insisted she had never nominated a location. 'I'm not going to leave undisturbed the impression I made an announcement about a specific location,' she said in a radio interview. But on the ABC's *Lateline*, East Timor's President **Ramos-Horta** indicated clearly that Gillard had been talking about a centre in East Timor. **Michelle Grattan** wrote that Gillard's claim she did not announce a specific location for her proposed regional processing centre is bizarre and a political blunder. The fallback options after East Timor are few and far between for the Gillard government, if it sticks to its criteria. *The Australian* reported that Gillard's backtrack on the plan came after East Timor's Parliament formally condemned the idea as unworkable.

Her first stuff-up

Julia Gillard's asylum seeker policy ran into immediate resistance, with East Timor's Deputy Prime Minister, **Jose Louis Guterres**, saying the proposal for his nation to house a regional refugee processing centre is very unlikely to be accepted.

Solution doesn't pacify

Before it had been unanimously voted down in the East Timorese Parliament, unions, refugee advocates and the Greens voiced strong concerns

about the planned processing of asylum seekers in East Timor, with some critics saying it is **John Howard's** Pacific Solution with another name, *The Australian* reported. There is hope in the Christmas Island community who that Gillard's plans to process asylum seekers offshore could reduce rising rents, end short-term food shortages and bring back cheap alcohol to the tiny Australian territory.

Stand up

Cambodian-born Victorian state Labor MP **Hong Lim** wrote an email to a concerned constituent, which he copied to state Labor MPs, expressing shame over the ALP's treatment of asylum seekers. Lim, who is a special adviser to Victorian Premier **John Brumby** on Victoria-Asia business relations, said his community and party should be standing up for people fleeing danger, the *Herald Sun* reported.

A fraction of votes and boats

Barrister and human rights advocate **Julian Burnside** wrote in *The Age* that we do not need to be protected from asylum seekers: they need to be protected from their persecutors. We receive about 240,000 migrants each year, so one year of asylum seekers arriving by boat is equivalent to about one week of new migrants.

Going overboard

The *Herald Sun* reported that under a 'get tougher' policy on boat people unveiled by opposition leader **Tony Abbott**, asylum seekers who dump their passports or documentation before arriving in Australia would be refused refugee status. The power to rubberstamp applications will also be removed from assessors at Christmas Island, and the Immigration Minister would be given the power to intervene in any case to refuse entry.

Where art thou, compassion?

The Age reported that **Tony Abbott's** promise to bring back a version of the Pacific Solution has won support from 42 per cent of Labor voters, while only a bare majority of them – 51 per cent – oppose it. In the *Herald Sun*, **Andrew Bolt** asked where are those who mocked **John Howard** for his tough stance on boat people? Despite more drownings, the compassion industry is silent.

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Australia's biggest market

The *Financial Review* reported that Families Minister **Jenny Macklin** said a priority in population policy must be to ensure unemployed young people get the training they need to help ameliorate the national skills shortage. She said the needs of the economy needed to be considered in future population growth plans and, in the past, that included encouraging skilled migration in areas where there were skills shortages. *The Australian* reported that the best student recruiters in China are switching to the US and Britain as destinations because Australia has botched skilled migration and its universities have a reputation for price gouging, according to veteran agent **John Findley**. 'All agents [in China] are fed up with our current government's attitude to migration,' said Findley, who attended June's Beijing International Education Expo. China is Australia's biggest market.'

RESOURCES

Open mines and minds

Julia Gillard extended a conciliatory hand to the mining industry in her first day in office, withdrawing the government advertising campaign on the mining tax and requesting that the mining industry do so in a gesture of good faith. The Minerals Council of Australia agreed to suspend its advertising, with its chief executive **Mitch Hooke** saying he was optimistic about negotiating with the new Prime Minister, *The Age* reported. *The Australian* reported that Gillard moved swiftly to bury Labor's damaging brawl with the mining industry by signalling fundamental elements of its proposed new tax were up for negotiation. Swan, in Canada at the G20 summit, also seemed more flexible.

She did it

After three days of negotiations, **Julia Gillard** had reached a watered-down compromise deal on the resources super-profits tax with the mining industry. In the new deal, the Government agreed

to cut the 40 per cent headline rate of tax to 30 per cent (the resources sector says its actual tax rate is more like 22.5 per cent because of where the new impost is applied), raise the threshold at which the tax takes affect from 5 per cent to 12 per cent, change the rules to allow miners to reduce their taxable income and apply the new tax only to a limited number of commodities – not across the resources sector as envisaged by the Henry tax review, *The Age* reported.

The renamed Minerals Resource Rent Tax, MRRT, will now apply only to iron ore and coal, with the existing petroleum resources rent tax applying to oil and gas, including projects on the North-West Shelf. The deal was welcomed by the big miners and by the Minerals Council of Australia – but the backdown put a \$1.5b hole in the budget over the forward estimates. The wider business community has lost half of their promised tax cut in order to pick up the tab.

After the Henry review, the Government said the company tax rate for large firms would go down to 29 per cent in 2013-14 (from 30 per cent) and then to 28 per cent. Now the promised tax stops at 29 per cent. The revised tax will likely effect on a 330 companies, rather than the 1000+ originally mooted. The small miners have not been included in the new tax.

Creative accounting

The *Financial Review* reported Treasury secretary **Ken Henry** confirmed the Government assumed a significant rise in commodity prices, and a change in export volumes, to claim it would sacrifice only \$1.5b in revenue under its deal to adjust the planned resources tax. The Coalition seized on the admission to accuse **Wayne Swan** of monumental deceit when he announced the revised tax without disclosing the change in revenue assumptions. It was later reported in *The Age* that new figures released by Swans showed that in 2013-2014, the second year of the tax, it is expected to raise only \$6.5b – compared with \$13b in its initial form. Over the first two years, the expected take would shrink from \$18b under the old version to \$10.5b under the new.

Democracy rules

The Coalition has pledged to oppose the tax, so its fate could rest with the Greens party, which could hold the balance of power in the Senate from mid-2011.

A kick in the guts

The Age reported that the inclusion of iron-ore in the MRRT along with coal, while every other commodity sits outside, is a kick in the guts for the iron ore producers/developers sitting outside the proposed BHP-Rio production combination in the Pilbara. Fortescue chief **Andrew Forest** said 'It's very disappointing that right at the time that junior and smaller Australian iron ore and coal miners have managed to develop a foothold into the industry, they are immediately slugged with a proposed new and additional tax'. STOP PRESS. Junior miners may yet fight to seek a better deal from the mining tax negotiation.

Winners

The *Financial Review* reported the Australia's fledgeling coal-seam gas industry would benefit from the decision to apply the existing petroleum rent tax on the sector, which would clear the way for progress on \$50b of projects in Queensland, now the threat of the resource super profits tax has been removed. A later report in the same paper found that taxpayers will effectively subsidise some of the world's biggest energy companies for their recent \$20b-plus coal seam gas acquisitions under concessions made by the Government to win industry support for their tax amendments.

The election campaign in a nutshell

In *The Age*, **Adele Ferguson** wrote that the new mining tax is all about taking pressure off some key marginal seats. Since the new deal was officially unveiled, it has been described as a compromise, a backflip and a monumental cave in. It is all of these, but most of all it is designed to get the government re-elected.

Probably should have happened sooner

Former BHP Billiton and chairman **Don Argus** has been appointed to head the policy transition group over the new tax with Resources Minister **Martin Ferguson**. The two have been close for years and Argus is well-known to Treasurer **Wayne Swan**. The *Financial Review* reported that Argus still owns about \$13m worth of shares in the world's biggest mining company, raising questions about whether he has a conflict of interest as joint head of the government's resource tax consultation group.

Towards his end

In *The Age*, **Michelle Grattan** wrote that **Rudd** was making tactical blunders in prosecuting his fight with the powerful mining sector ahead of the election. He was giving his opponents serious ammunition to add to the deepening criticism of his character. In an opinion piece in the same paper, former Treasurer **Peter Costello** wrote that the Treasury chief should never have been asked to decide tax policy options.

How he messed up

Kevin Rudd's attempts to make the mining industry a budget cash cow have challenged international investment confidence in Australia, *The Australian* reported. BHP Billiton chairman **Jac Nasser** said the proposed tax has driven a distinct change in attitudes towards Australia from all types of investors across all industries.

It improved

The Age reported that three of the industry's biggest gorillas – BHP Billiton, Rio Tinto and Xstrata – initially issued a joint press release bagging the level of government negotiation over the proposed tax. The *Financial Review* reported that they dismissed Rudd's claim of being engaged in detailed negotiations on resource taxation, declaring there was no sign the Government was addressing the industry's fundamental concerns. *The Australian* reported that the Big Three were originally invited to make

individual representations to Swan and Ferguson. But they refused. Instead they insisted on a joint session with Rudd's representatives.

It's over now

The Australian reported that Communications Electrical and Plumbing Union national secretary **Peter Tighe**, an ACTU executive member, said some workers were getting concerned about their job security in the debate over the resources rent tax because the government had not adequately rebutted the mining industry's campaign. South Australian speaker and Labor MP **Lyn Breuer** travelled to Canberra to tell **Kevin Rudd** the mining tax will kill off the steel-making town of Whyalla, *The Australian* reported.

Spooky

Australian Foundation Investment Company (Australia's largest listed fund manager) chairman **Bruce Teele** was damning in his assessment of the planned resource tax, saying that investors had been spooked by the lack of consultation, *The Age* reported.

Vale

Former BHP iron ore chief executive **Geoff Wedlock** and Queensland mining magnate **Ken Talbot** were among six Australians confirmed dead after their light plane crashed in West Africa. The other executives killed were Sundance Resources chief executive **Don Lewis**, non-executive director **Craig Oliver**, non-executive director **John Jones** and Talbot Group executive **Natasha Flason Brian**, *The Age* reported.

HEALTH

Identifying solutions

The *Financial Review* reported that under the Health Care Identifiers Bill 2010, new laws are being considered that would change the existing Medicare Act to allow the creation of unique health identifier numbers, intended to form the cornerstone of patient controlled electronic health and medical records that could be transferred between clinicians and care providers. While most large businesses and government organisations have had electronic customer records for nearly 20 years, similar progress in health has been frustrated by the fragmented and complex nature of the sector. Health Minister **Nicola Roxon** hopes legislation that will be passed by July 1 (see below) will allow her department to start issuing the new identifier numbers.

The Australian reported that patients will have to wait at least two years before they can access their medical records on line, according to Roxon. Initially, only Medicare would operate a secure website portal that would allow patients to retrieve their personally controlled electronic health records. Regulations must be drafted that will allow health care providers to access the health-care identification service.

Nearby, the chief executive of the Public Interest Advocacy Centre, **Robin Banks**, has accused the Government of making the same mistakes as its predecessor, failing to take privacy concerns

seriously enough in its bid to get the health identifier legislation through Parliament. The health identity card is different from e-health records which are between the patient and others government and commercial agencies. This is not patient-controlled.

Cross-over benefits

Before **Kevin Rudd** became an ex-prime minister, he said the requirement to roll out electronic health and medical records will benefit from the \$11b deal with Telstra to buy access to the carrier's infrastructure under the National Broadband Network. Rudd said the future of a patient controlled electronic health record was essential to the Government's wider agenda for health reforms.

The missing e-link

The national president of the Pharmaceutical Society of Australia, **Warwick Plunkett**, said that e-health was the missing link in enabling genuine collaborative primary health care teams to work effectively and improve the well-being of all Australians. In his budget response, **Tony Abbott** turned his back on the Coalition's decade-old commitment to e-health records and suggested the money would be wasted and should be retained by the government. 'Clearly the opposition needs to rethink its strategy on the issue,' Plunkett said.

Predominantly built

The *Financial Review* reported that the head of the National E-Health Transition Authority, **Peter Fleming**, says the Government's national healthcare identifiers regime is on course to launch on time, and the NEHTA will soon begin discussions with industry about the technology architecture needed to underpin electronic health records. After welcoming the injection of \$466.7m for e-health in the budget, Fleming said the system behind the introduction of a 16-digit unique healthcare identifier was predominantly built.

Mental health hole

The Government's top mental health adviser has resigned. The chairman of the National Advisory Council on Mental Health, **John Mendoza** accusing the government of failing the mentally ill with their lack of vision and commitment to a problem that affects millions of Australians. Most of his council colleagues say they share his despair that the Government's multibillion-dollar focus on hospitals is likely to leave crucial mental health services under-funded. In the May Budget, the government committed to \$7.2b to health – \$175m of which was marked as new funding for mental health. Professor Mendoza said there was no evidence of any new investment in mental health, *The Age* reported. *The Australian* reported that **Tony Abbott** ignited the unofficial election campaign by targeting Labor's policy weak point of mental health with a \$1.5b spending package, including 800 hospital beds. The Opposition Leader promised to fund new mental health treatment facilities, including 60 to serve young people.

Nearby

Australian of the Year **Patrick McGorry** has called upon new Prime Minister **Julia Gillard** to urgently reform Australia's beleaguered mental health sector, warning the crisis could cost Labor votes at the looming election. McGorry said Gillard must commit more funds to the sector and begin a root and branch reform of the system which is failing hundreds of Australian families, *The Age* reported.

Also, nearby

The Age reported that a nine-month government inquiry into suicide prevention would be wasted unless more was spent on mental health, Suicide Prevention Australia chairman **Michael Dudley** said. He said the Senate inquiry report, *The Hidden Toll: Suicide in Australia*, had forged new ground in recommending a five-year advertising campaign to de-stigmatise suicide, mandatory training for police, paramedics and emergency department staff and the improvement of data collection, but the government was refusing to take the issue seriously.

Forget-me-nots

Sophie Pieters-Hawke, the 25-year-old granddaughter of **Bob** and **Hazel Hawke**, and three of her friends, all in their 20s, launched an initiative called the Forget-Me-Not project, which aims to raise money and awareness of the impact of dementia on young people. Hazel, who was married to former Prime Minister Bob Hawke for nearly 40 years until they divorced in 1995, was diagnosed with Alzheimer's disease in 2001.

Another funding crisis

The **Aged Care Industry Council**, the peak council of Australia's aged care providers, which includes the Aged Care Association of Australia and Aged & Community Services Australia, published an open letter to then Prime Minister **Kevin Rudd** in *The Australian* newspaper saying that older Australians, the people who made this country great, are being let down by the Government's failure to address the funding crisis in aged and community care.

The discriminators

The Presbyterian Church of Victoria is calling for paid parental leave schemes to be scrapped, saying the Federal Government and Opposition schemes discriminate against stay-at-home mothers. They say the government should provide a single payment or tax rebate directly to mothers, regardless of their employment status, the *Herald Sun* reported. *The Age* reported that National Party MPs will not campaign for **Tony Abbott's** paid parental leave scheme at the election, saying it is geared toward city voters and damages the opposition's economic credibility.

Answer to our woes?

The *Financial Review* is holding a **National Health Conference 2010**, on 17 August, that looks at the question 'Will e-health be the cure to the woes of our ailing health system?', www.afr.com/events.

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BROADBAND. IT. INNOVATION

Drum roll please...

Telstra will hand over millions of customers to the Government's new national broadband network and close its ageing copper and cable networks (instead sharing its infrastructure with NBN Co and migrating fixed line customers to the government's new fibre network) in an \$11b deal that will fundamentally reshape the communications industry, *The Age* reported. It will abandon its traditional core business of fixed line communications networks. The deal is a breakthrough for the \$43b national broadband network, as it will allow the new services to be rolled out faster and more cheaply.

Telstra will be a participant in the rollout of the national broadband network. Telstra chairman **Catherine Livingstone** said the proposed transaction would deliver payments and financial savings to the telco over coming years with a net present value of \$11b after tax. Livingstone emphasised the heads of that agreement needed to be followed by finalisation of detailed binding agreements, which, in turn, would need shareholder approval before they could be implemented. The regulatory certainty and high prices are expected to significantly boost Telstra's share price, and could underwrite the company's high dividend for several years, according to one analyst. In a more detailed analysis of the deal, *The Australian* reported that Telstra will be paid \$9b to transfer its voice and broadband customers from its copper and cable networks to NBN Co's network as it is rolled out.

The Government will grant Telstra a number of regulatory concessions worth about \$2b as it takes over Telstra's universal service obligations through the creation of a new entity – USO Co. Telstra also received a written guarantee that they would not be barred from bidding for new wireless spectrum (see below) needed to evolve its mobile broadband business.

Approval

Telstra shares rose to a four-month high as investors backed the group's historical \$11b deal to participate in the national broadband network. Telstra's stock opened at a year high of \$3.44, up 21c or 6 per cent, before giving some ground to close up 3.4 per cent, in mid-June, *The Australian* reported. Future Fund chairman **David Murray** – a major Telstra shareholder – says he is carefully evaluating the deal.

Broad minded

The *Financial Review* reported that AAPT chief executive **Paul Broad** felt that Telstra's rivals should be allowed to access the former monopoly's infrastructure at the same price as the National Broadband Network if they wish to lay competing fibre networks. Broad believes the Government's non-binding \$11b deal with Telstra has exposed a weakness in the government's competition policy for the sector.

Furthermore

The Age reported that Telstra, no longer obliged to provide every house with a telephone service, can focus on content delivery and developing new technology, and is already positioned to be a winner in a national broadband environment, say industry analysts. The *Financial Review* reported that Telstra chief executive **David Thodey** has promised an aggressive expansion in wireless services after settling the company's row with Canberra, as investors welcomed the imminent removal of government curbs on the company's growth.

And

In mid-June, *The Age* reported that the government appears no closer to getting its way on a bill to split Telstra, despite listing the legislation for debate in the Senate. The Greens have already pledged in principle support for the bill, which pressures Telstra to split its wholesale and retail operations as well as strengthening the competition watchdog's powers and limiting payphone removal. Even with the Greens' votes and the probable support of South Australian independent **Nick Xenophon**, the Government will still need one additional vote, likely to come from Senator **Steve Fielding**.

A win for the south

The Age reported that Melbourne has been selected as the operations base of the national broadband network, injecting millions of dollars into the state's economy. The national operations and test facility will employ 425 professional and technical staff. It comes in addition to the company's engineering operations group in Elizabeth Street, expected to employ another 290 people. The new facility will be used by NBN Co to monitor and manage its national operations, including assessing activated services, detecting faults and carrying out tests for service providers. The decision is a major victory for the Victorian government. By the end of July, the network's first customers, in three small Tasmanian communities, will be connected. At the beginning of July, *The Age* reported that **Robert Pettman**,

an IT technician from Hobart, became the first customer connected to the national broadband network. His service with Internet provider Internode started about 5pm on July 1, giving him connection speeds more than 30 times faster than before. 'It's awesome,' he said. 'It's a major speed increase.'

Round two

The Australian reported but the government has revealed the locations of the second-round of communities in the mainland National Broadband Network rollout. The network will be expanded into 19 new fibre service areas.

NBN contractors

The Australian reported that NBN Co is a while away from issuing request for tenders to satellite network operators hoping to get a slice of the \$43b project. The company has reduced its satellite shortlist to six or seven operators since issuing requests for capability statements in January. More than 10 international and domestic satellite operators pitched their credentials, but only a handful were considered serious contenders. It is understood Optus, Intelsat and Hughes Network Systems are among the few named on the shortlist. The provision of satellite services in the NBN build – along with wireless technologies – is needed to supply 10 per cent of the nation with 12 megabits per second broadband connections. The other 90 per cent of the population will be serviced by a fibre-to-the-home network capable of delivering internet connection speeds of 100Mbps.

Nearby

An Australian owned satellite operator has condemned the NBN Co for the way it has conducted the tender process for providing internet services in rural areas. In a letter addressed to major stakeholders, NewSat chief executive **Adrian Ballintine** said the company had been shafted without proper consideration or fair notice. NewSat submitted a response to the NBN Co's request for a capability statement regarding the supply of satellite network and services, but it was rejected in a two-line e-mail that simply thanked NewSat for its submission, *The Australian* reported. *The Age* reported a total of 45 groups responded to NBN Co's call in March for expressions of interest in the construction project; 21 of them have been selected to make a formal bid.

Rocca on

The Australian reported that Telstra is positioning itself to cash in on the growth of internet data services, such as on demand video, by building \$14m worth of new network and media centres. They would serve as small data centres in the telcos telephone exchanges, where they would be used to deliver online content in a more cost-effective and efficient manner, Telstra chief operations officer **Michael Rocca** said. It will allow Telstra to bring infrastructure closer to their customers, improve quality and reduce the transmission costs of data across the network. Telstra has earmarked 12 points on its Next IP

core network where the first media and content centres will be constructed. It has the scope to add as many as 147 other points in a matter of months. The construction of these centres comes at a critical time for Telstra, which needs to breathe life into its revenues and diversify its media offerings ahead of construction of the \$43b national broadband network. Telcos around the world are struggling to handle consumers' insatiable appetite for media content which is driving massive growth of data traffic over their networks. The capacity demands of data-intensive applications such as on-demand video are threatening to bring some networks to their knees.

Generation next

Telstra will announce a doubling of speeds available on its NextG wireless broadband service later this year. Chief executive **David Thodey** will make this official at celebrations for Telstra Country Wide's 10th anniversary in Albury. Telstra Country Wide general managing director **Brett Riley** said the NextG network would be updated in regional and metropolitan areas throughout the year, *The Age* reported. Telstra's chief information officer, **John McInerney**, has quit the company as it pursues plans to review its internal information technology structure, the *Financial Review* reported.

Watch out for the middlemen

The *Financial Review* reported that Telstra hopes to carve out a future for its \$2.3b wholesale division as an intermediary between the government's national broadband network and small internet service providers. Telstra Wholesale managing director **Paul Geason** said that if a deal was struck with the government his division could seek to act as a middleman between the NBN and internet service providers that lack the technical expertise and finances to supply voice, broadband and TV services to end users over the NBN. Currently, Telstra Wholesale's revenue mostly comes from copper network fees, but that network is likely to be shut down in the next eight years. Geason also revealed that Telstra was working on a deal to bring an international mobile brand to Australia on its 2G network.

No wires best

The Australian reported that only 16 per cent of homes and businesses passed by national broadband network fibre-optic would choose to connect to it, even after 15 years. The surprisingly low estimates were prepared by the Tasmanian government and released under Freedom of Information law, in a ruling by state Ombudsman **Simon Allston**. **Andrew Scobie**, chairman of information logistics company Scobie Archive, said the Commonwealth should consider a far greater use of wireless technology for its first rollout of the national broadband network in Tasmania.

Lucky 13th

The *Financial Review* reported that Australia had 5.13 million broadband subscribers by the end of 2009, the 13th highest among Organisation of Economic Co-Operation and Development nations.

Nearby

Mobile phone carriers will this year be renewing their (existing) mobile spectrum licenses. Negotiations over the price are on-going, Communications Minister **Stephen Conroy** said earlier this year the government would seek a fee that reflects the scarcity value of this important public resource, *The Age* reported.

Third line forcing

The Age reported that an attempt by Foxtel to offer extra services over the internet exclusively to Telstra customers has angered small internet providers, who argue the plan will harm competition and short change consumers. By the end of the year, Foxtel is hoping to expand its iQ services, which allows customers to access programs on demand, so that it streams content from the internet rather than relying on the hard drive attached to a viewer's television. But it wants the new service to be available only to those customers who have a Telstra BigPond internet account, as part of a commercial arrangement between the two media companies. Telstra owns 50 per cent of Foxtel while the remainder is split between News Ltd and Consolidated Media Holdings. The arrangement, considered 'third line forcing' under competition law, because consumers will need to buy the Telstra internet service in order to get the full benefit from the Foxtel connection, requires the consent of the Australian Competition and Consumer Commission.

Filtering the information

Prime Minister **Julia Gillard** has defended the aim of the Government's plan for an internet filter but said she understood that it had caused concerns. Speaking on ABC radio, she said child pornography should not be available on the internet, the *Financial Review* reported.

Canberra IT

The Department of Human Services plans to trim the \$150m a year spent on telecommunications by agencies such as Centrelink and Medicare. The agency will also standardise on Microsoft and SAP technology for all of its 45,000 employees. The framework is being established for agencies to move to Microsoft at the desktop and communications layer, while administration and finance applications will fall under the SAP banner. Of particular urgency to Human Services ICT infrastructure deputy secretary, and former Centrelink chief information officer, **John Wadeson**, however, is to rectify the mishmash of telecoms contracts for voice and data services, *The Australian* reported.

Open government 2.0

A key recommendation from the Government 2.0 Taskforce's report was that the Government should make a declaration of open government. The taskforce was commissioned last year, by Minister for Finance and Deregulation, **Lindsay Tanner** and Special Minister of State, Senator **Joe Ludwig**, to investigate how the government could utilise Web 2.0 technologies to deliver better services to citizens and improve its engagement with them. A new blog to be managed by the Australian Government Information Management Office would provide a forum for discussion on issues surrounding government use of information and communication technology.

Boom 2.0 full of Merritt

According to **Kevin Merritt**, a Microsoft veteran who lives near Seattle, the next internet boom is to be driven by entrepreneurs helping governments work better. Merritt is at the forefront of an emerging field some entrepreneurs call Government 2.0. One way governments encourage innovation in the IT sector is by offering prize money to developers who build software programs using public data. Federal agencies in the USA have sponsored efforts aimed at expanding broadband access and reducing childhood obesity. Even the Pentagon has come on board with an 'Apps for the Army' challenge for soldiers, the *Financial Review* reported.

A cord for all

Minister for Finance and Deregulation, **Lindsay Tanner** launched *The Government and Industry Principles of Engagement on ICT*, identifying them as an important step in the Government's agenda to improve engagement with the ICT industry. The principles arise from recommendations made through the Gershon Review into the Government's use of ICT. They describe the values and behaviour expected from both government and ICT suppliers conducting Australian Government business. The principles deliver a number of significant outcomes for the ICT industry, including allowances for equal participation by small, medium and large enterprises in Government tender activities, the *Australian Information Industry Association* newsletter reported.

Cyber threat

Attorney-General **Robert McClelland** announced the launch of the National Cyber Security Information Exchange. The internet has become a place of concern for governments and industry around the globe. He said that the exchange has particular benefit to Australia, given our physical distance from major trading markets. He noted how important it was that we align ourselves with **The Council of Europe Convention on Cybercrime**, which aims to establish a fast and effective regime of international cooperation in responding to cyber threats. 'There is a need for us to raise awareness of the security risks that are inherent in transacting online, but to do so in ways that avoid undermining trust and confidence in the online economy,' he said.



VIEWPOINT

John Bateup
CEO
WISE Employment

Dean had worked hard to get where he was today, but he was still nervous in about accepting his certificate in front of the 60 people gathered before him. The Honourable Bill Shorten MP was guest speaker at the event which marked Clean Force's \$1 million turnover. From its beginnings in 2001, Clean Force has grown from its Northcote base to service over 30 customers in the commercial, government and not-for-profit sectors and employing and training over 100 workers. Dean was one of several members of his team at Clean Force Property Services that would receive their Certificate III in Asset Maintenance (Cleaning Operations). Quite an achievement – not least of which because Clean Force is an Australian Disability Enterprise with workers who may experience a learning difficulty, intellectual disability or a mental illness – the term often used is 'social enterprise'.

As CEO of not-for-profit organisation, WISE Employment, I have been involved in the disability sector since 1989, founding WISE as a disability employment services in Melbourne in 1992. As an organisation we have engaged different strategies and programs to assist job seekers with a disability and other disadvantaged communities growing to over 500 staff in 30 offices across four states and forming a new UK charity, WISE Ability, with 25 staff based in South Yorkshire. An important part of our growth has included the development of two social enterprises – Clean Force Property Services in Melbourne, Victoria, and Equity Labour Services (ELS) in Ulverstone, Tasmania.

What is a social enterprise? The definition of a 'social enterprise' can be difficult to capture and can vary widely from country to country and even within Australia. The UK-based Social Enterprise Coalition defines a social enterprise as a business trading for a social purpose. Most social enterprises are directly involved in producing goods or services to a particular market with the explicit social and/or environmental aims, and their profits will be principally reinvested to achieve their social objectives. And while the social enterprise is a business venture that was created for a social purpose, it must still operate with financial discipline, innovation and the determination of a private sector business.

For many not-for-profits, including WISE Employment, social enterprise is an avenue for income and business generation that complements our mission activities. WISE Employment provides specialist employment services under the Australian Government's Job Services Australia and Disability Employment Services. Our mission is to assist job seekers fulfill their vocational goals through 'Empowerment through Employment'. Social enterprises were therefore a natural fit for our business. The success of these enterprises is reliant on a number of factors, not least of which is the support of corporate Australia in the employment of these social enterprises. No matter what industry – cleaning, hospitality or garden maintenance – the social enterprise needs to compete within the market against all competitors including the commercial sector. The challenge lies in how to pitch the business to prospective customers – do you focus on the commercial benefits or do you emphasise the potential social outcomes? For each of our social enterprises, we have found that is a constant challenge but one that can come with great rewards. While Clean Force had serviced many customers, when they secured the cleaning contract at the Richmond Football Club in 2007 it certainly reinforced the quality of service they were providing the market. For both Clean Force and the RFC, it has been a great partnership with mutual benefits.

For not-for-profit organisations, social enterprises can provide diversification of revenue and new methods to achieve their social aims. There are many opportunities for social enterprise in the future. We are still learning about 'best practice' and this is best done in an environment of collaboration and support. WISE Employment has recently collaborated with Housing Choices Australia and Social Firms Australia to launch a new social enterprise – Incito Maintenance. Incito will perform a dual function of delivering high quality commercial property maintenance services whilst creating paid employment and skills development opportunities for its employees. 50% of Incito's employees are people with mental illness, disability and or disadvantage and 50% from the broader workforce. Incito will actively employ tenants of subsidised housing.

As these workers start on their first contract next month, they will no doubt take pride in the uniform they wear and the work they do. Our goal is that they too will one day be standing at an event, like Clean Force's employees, celebrating their \$1 million turnover. And while the financial aspirations are important and certainly achievable, who knows how many people will find a job and change their life along the way. And there lies the intrinsic benefit of social enterprises – as a not-for-profit organisation, we can achieve ongoing sustainable impact, the customer gets a job done that they needed to be done, someone gets a job and as a community we may achieve a more inclusive society. With so many potential benefits, I would encourage you all to consider supporting a social enterprise today.

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Economic Issues (20%) Top Electors Expectations of Government

Economic Issues (20%, up 6% since June 25-28, 2010), is the most important issue that the Federal Government could address that would most benefit electors and their families according to a special telephone Morgan Poll conducted over two nights (July 20/21, 2010).

Health (18%, unchanged) ranks as the next highest concern ahead of Social Welfare and Social Issues (16%, up 1%) and Taxation (14%, down 11%).

Analysis by Gender & Age

Men are far more concerned about Economic Issues (21%) than any other issue ahead of Taxation (15%), Social welfare (14%) and Health (11%).

However, women are more concerned with Health (25%) while Economic Issues (19%), Social welfare (19%) and Education (15%) are also important issues.

Across all age groups measured Health is a major issue – 18-24yr olds (25%), 25-34yr olds (16%); 35-49 yr olds (18%), 50-64yr olds (20%) and those aged 65+ (22%).

Younger people (18-24yr olds) are concerned about Health (25%), Taxation (18%), Economic Issues (11%) and Education (10%). Those starting families (25-34yr olds) are also concerned about Economic Issues (19%) ahead of Education (13%) and Social welfare (13%).

For those aged 35-49yrs old other important concerns are Taxation issues (25%), The Economy (22%) and Education (16%). Important concerns for older Australians aged 50-64yrs old include Economic Issues (24%), Social welfare (16%), Environment (11%) and Education (9%).

Those aged 65+ nominated Social welfare (33%) at the top. Health issues (22%) and the Economy (15%) are also important issues for older Australians.

Analysis by Voting intention

L-NP supporters (26%) are more concerned about the Economy than ALP supporters (14%) – including 8% of L-NP supporters compared to less than 0.5% of ALP supporters concerned about wasting Taxpayer's money.

Supporters of the Greens (27%) are far more likely to mention the Environment than supporters of the two major parties – ALP (8%) or L-NP (1%) while Health remains an important issue for ALP supporters (22%), L-NP supporters (14%) and Greens supporters (18%).

Analysis by State

In New South Wales (24%) and Victoria (22%) the biggest issue for electors is the Economy. In Queensland and Western Australia (both 20%), the biggest concern is Taxation and the biggest concern in South Australia (18%) and Tasmania (31%) is Social Welfare.

Gary Morgan says:

“Economic Issues & Cost of Living (20%, up 6% since June 2010) closely followed by Health Issues (18%, unchanged) and Social Welfare/ Social Issues (16%, up 1%) are the most important things the Federal Government could do to benefit Australians according to special Roy Morgan qualitative research.

“Analysis by gender shows that although a similar proportion of men (21%) and women (19%) want the Government to do more in the area of Economic Issues & Cost of Living – far more women (25%) than men (11%) nominate Health Issues as the most important.

“Opposition Leader Tony Abbott needs to target women if he is to provide a real contest to Prime Minister Julia Gillard in the Federal Election – Health is most important issue for Australian women.

“Our latest Morgan Poll released last week shows [Gillard \(58%, up 9% since June 25-28, 2010\)](#) well ahead of [Abbott \(29, down 5%\)](#) when Australians are asked who they believe would make the ‘Better Prime Minister’ – a clear indication that it is up to Abbott to make the running to improve his standing in the electorate.

“The [Roy Morgan PolliGraph used by Channel 7 in last night’s Leader’s Debate](#) clearly showed the current gender gap existing between Gillard & Abbott. [Roy Morgan CEO Michele Levine appeared on Channel 7 News on Saturday night](#) and clearly outlined that despite the [current gender-split between Gillard & Abbott](#) the process of campaigning over the next four weeks will bring the focus of the electorate back to the real issues – Health, Cost of Living, Taxation and Social welfare.”

An Australia-wide cross-section of electors was asked: *“Thinking about YOURSELF. What could the FEDERAL GOVERNMENT do, that would MOST BENEFIT YOU and YOUR FAMILY?”*

These are the main findings of a telephone Morgan Poll of 719 electors conducted over the two nights of July 20/21, 2010 throughout Australia.

For further information:

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

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

The Morgan Poll is conducted by the **ONLY** Australian and New Zealand member of the Gallup International Association.

No other public opinion poll taken in Australia or New Zealand has this qualification.

What could the Federal Government do that would be of most benefit to you and your family? – By State

Summary Issues	July 2010	NSW	VIC	QLD	WA	SA#	TAS#
	%	%	%	%	%	%	%
Economy and Finance	6	7	6	3	6	7	16
Stop/ Reduce spending/ Wasting Tax Payer's money	4	5	5	2	1	1	-
Interest rates	4	5	7	2	2	3	-
Total Economic	13	16	16	6	10	11	16
Petrol prices	1	2	1	1	1	-	-
Housing affordability	2	2	2	1	0	4	4
Reduce cost of living	4	4	5	6	4	-	-
Electricity costs/ Prices	2	4	2	1	2	-	-
Total Costs	8	9	7	10	4	4	4
Total Costs & Economic Issues	20	24	22	16	14	13	19
Health	18	21	19	12	19	10	24
Medicare/Bulk billing	1	1	1	1	-	-	-
Private health insurance	*	*	1	-	-	-	-
Total Health	18	22	20	13	19	10	24
Taxation/Lower taxes	11	11	7	17	14	9	4
Tax reform	1	1	-	1	1	-	-
Taxation/no GST	*	-	1	-	1	-	-
Other taxation issues	2	4	1	1	1	-	-
Total Taxation (excluding Mining Tax)	13	15	9	18	18	9	4
Dump the Mining Tax	1	1	1	1	1	-	-
Resolve/ Review the Mining Tax	*	-	-	1	1	-	-
Total Dump/ Resolve/ Review the Mining Tax	1	1	1	2	2	-	-
Want the Mining Tax	*	-	-	1	-	-	-
Total Taxation (including Mining Tax)	14	16	9	20	20	9	4
Law and order	1	*	2	2	4	-	-
Family issues	4	4	5	2	3	3	18
Equality	*	-	-	1	-	-	-
Aborigines	*	-	-	1	-	1	-
Total Social Issues	6	4	7	5	6	4	18
Social welfare and the Aged	10	9	11	6	10	15	13
Child and youth services	1	*	-	1	1	-	-
Support/ Increase payments for disabled	1	2	2	2	-	-	-
Total Social Welfare (Including Social issues)	16	14	20	13	16	18	31
Education	11	13	14	10	8	4	8
Quality of Govt./Politicians	5	6	5	5	6	1	-
Environment	5	6	4	4	4	6	8
Carbon Trading, ETS, Carbon Price	1	2	1	-	-	-	-
Total Environment	6	7	5	4	4	6	8
Water supply/Management	1	1	1	1	-	3	-
Total Environment (Including Water)	7	8	6	4	4	9	8
Increase wages	1	1	1	1	-	1	-
Unemployment	2	2	2	2	-	2	-
Work conditions/IR	2	-	1	2	3	7	-
Paid Maternity Leave	*	-	1	-	1	-	-
Total Industrial Relations	4	3	4	5	4	10	-
Stop Boat People/ Illegals	2	2	1	3	2	1	-
Limit immigration	1	2	1	-	-	-	-
Total Immigration	3	4	2	3	2	1	-
Defence/National security	*	-	-	-	-	2	-
Trade and Foreign policy	-	-	-	-	-	-	-
Total Foreign Affairs	*	-	-	-	-	2	-
Total Foreign Affairs (Including Immigration)	3	4	2	3	2	3	-
Transport/Roads	5	8	6	4	4	-	-
Industry and Business	2	4	1	2	3	-	5
Superannuation/ Self-funded retirees	2	1	3	2	3	3	-
I am happy with Govt.	2	2	3	1	-	6	-
Give out more stimulus money	*	-	-	2	-	-	-
Other	12	11	10	13	11	10	39
Total mentioned an issue	84	84	85	86	81	74	100
Nothing/Can't say	16	16	15	14	19	26	-
Total	100	100	100	100	100	100	100

Results from sample sizes less than 50 should be treated with caution.

Not mentioned. * Less than 1%. n/a - Not available. Percentages add to more than 100% as some electors gave multiple answers.

What could the Federal Government do that would be of most benefit to you and your family? – Analysis by Age & Sex

<u>Summary Issues</u>	July 2010	Men	Women	18-24	25-34	35-49	50-64	65+
	%	%	%	%	%	%	%	%
Economy and Finance	6	7	5	4	8	5	7	6
Stop/ Reduce spending/ Wasting Tax Payer's money	4	5	2	1	2	3	6	5
Interest rates	4	4	4	-	7	7	3	1
Total Economic	13	15	11	4	16	14	15	12
Petrol prices	1	1	1	-	1	2	1	1
Housing affordability	2	3	2	1	1	4	3	1
Reduce cost of living	4	4	5	4	3	5	6	6
Electricity costs/ Prices	2	2	2	3	1	2	3	3
Total Costs	8	8	8	7	4	10	11	11
Total Costs & Economic Issues	20	21	19	11	19	22	24	15
Health	18	11	24	14	16	17	20	21
Medicare/Bulk billing	1	-	1	1	-	1	-	-
Private health insurance	*	1	*	*	-	-	1	1
Total Health	18	11	25	25	16	18	20	22
Taxation/Lower taxes	11	13	10	12	8	19	8	5
Tax reform	1	1	1	1	1	1	1	-
Taxation/no GST	*	-	1	2	-	-	-	-
Other taxation issues	2	2	1	1	2	3	1	1
Total Taxation (excluding Mining Tax)	13	15	12	16	11	23	9	5
Dump the Mining Tax	1	*	1	2	-	1	1	-
Resolve/ Review the Mining Tax	*	*	*	-	-	1	-	-
Total Dump/ Resolve/ Review the Mining Tax	1	1	1	2	-	2	1	-
Want the Mining Tax	*	*	-	-	-	-	1	-
Total Taxation (including Mining Tax)	14	15	14	18	11	25	10	5
Law and order	1	2	1	1	1	1	1	3
Family issues	4	2	6	6	10	7	1	1
Equality	*	-	*	*	1	-	-	-
Aborigines	*	*	-	-	-	*	*	-
Total Social Issues	6	4	7	7	12	8	2	4
Social welfare and the Aged	10	9	10	4	1	3	12	29
Child and youth services	1	*	1	2	1	1	-	-
Support/ Increase payments for disabled	1	1	2	-	1	3	2	1
Total Social Welfare (Including Social issues)	16	14	19	6	13	13	16	33
Education	11	7	15	10	13	16	9	6
Quality of Govt./Politicians	5	4	5	3	5	3	8	5
Environment	5	4	7	7	4	7	7	2
Carbon Trading, ETS, Carbon Price	1	2	1	2	1	2	2	-
Total Environment	6	5	7	7	4	8	8	2
Water supply/Management	1	1	1	-	-	*	3	1
Total Environment (Including Water)	7	5	9	7	4	8	11	2
Increase wages	1	1	1	1	-	-	1	-
Unemployment	2	2	2	1	2	2	2	2
Work conditions/IR	2	2	1	-	3	3	2	-
Paid Maternity Leave	*	-	1	-	3	3	-	-
Total Industrial Relations	4	4	5	2	7	7	4	2
Stop Boat People/ Illegals	2	2	1	1	1	1	2	3
Limit immigration	1	1	1	-	-	-	1	1
Total Immigration	3	3	2	1	1	1	3	4
Defence/National security	*	-	-	-	-	-	1	-
Trade and Foreign policy	-	-	-	-	-	-	-	-
Total Foreign Affairs	*	-	*	-	-	-	1	-
Total Foreign Affairs (Including Immigration)	3	3	3	1	1	1	4	5
Transport/Roads	5	6	5	3	3	3	7	5
Industry and Business	2	3	2	-	2	2	2	2
Superannuation/ Self-funded retirees	2	2	2	-	-	-	4	3
I am happy with Govt.	2	3	1	1	1	1	1	4
Give out more stimulus money	*	1	-	-	-	-	1	-
Other	12	14	10	12	12	14	10	10
Total mentioned an issue	84	85	84	68	79	87	93	85
Nothing/Can't say	16	15	16	32	21	13	7	15
Total	100	100	100	100	100	100	100	100

Results from sample sizes less than 50 should be treated with caution.

Not mentioned. * Less than 1%. n/a - Not available. Percentages add to more than 100% as some electors gave multiple answers.

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On the ground

The *Herald Sun* reported that the Australian digital television revolution began at the end of June with north-west Victoria pioneering the change from analog. Mildura and its surrounds will be the first Australian region to make the switch to digital only television – meaning anyone in the area not in possession of a digital set-top box, and digital TV or a digital video recorder will have no access to the nine free-to-air TV channels. The **Sunraysia** region was chosen for the switch because of the high number of set-top boxes already in use in the area. *The Age* reported that tests for a new satellite television service began in Mildura in early June as the Government strives to plug gaps in digital television coverage on the ground.

INDUSTRIAL RELATIONS. EMPLOYMENT

A struggle on his hands

As **Tony Abbott** struggled to distance himself from the politically damaging Work Choices legislation, which largely contributed to the Coalition's loss at the last election, *The Age* reported that a Coalition government would make Labor's individual flexibility agreements more flexible, while reducing the burden on small business. But it would bring in these measures within Labor's existing Fair Work legislation. *The Australian* reported that Abbott has abandoned the proposal to exempt small business from unfair dismissal laws, as the sector declared it had become a victim of politics. **Michelle Grattan** wrote in *The Age* that **Tony Abbott** was forced to reassure voters that no Coalition government will ever bring back any element of Work Choices after his industrial relations policy sank into confusion. The union movement claimed that he could make big changes while keeping the existing law, including to the unfair dismissal provisions, by regulation. Businesses have raised concerns over Abbott's promise not to tinker with the industrial relations regime, warning against committing to a position that is too rigid.

Kill the commission

Labor MPs want new Prime Minister **Julia Gillard** to seek a mandate at the upcoming federal election to kill the Howard-era Australian Building and Construction Commission. Some MPs are frustrated that the ABCC is still

functioning even though Work Choices has been repealed. The House of Representatives has passed legislation to replace the commission but the Government does not have the numbers to get it through the Senate, *The Australian* reported. Meanwhile, the **Office of the Australian Building and Construction Commission** seeks a commissioner, www.abcc.gov.au.

World defining

The Australian reported that in mid-June unemployment in Australia fell to a world defining 5.2 per cent, yet hardly rated in politics as **Kevin Rudd** stoically refused any substantive concession from his resource tax.

Out of the foam

Unions will be blocked from seeking increased rights to enter workplaces after the Government's industrial umpire, Fair Work Australia, overturned a ruling that would have allowed union officials unrestricted access to business premises. The full bench of Fair Work Australia upheld an appeal by the Australian Industry Group and the Government against a clause in a workplace agreement between Dunlop Foams and the National Union of Workers that would have allowed union officials to avoid restrictions on right of entry in the Fair Work Act, the *Financial Review* reported.

A big rally

The Age reported that as many as 10,000 people rallied in Melbourne in June over inequality in men's and women's pay, as part of the largest nationwide rally on the issue since the 1970s. Smaller numbers turned out in other capitals in support of a pay equity test case in Fair Work Australia. A body representing employers in the sector, the Australian Council of Social Service, launched a campaign in support of the action by the Australian Services Union. The *Financial Review* reported that women earn 18 per cent less than men, which amounts to about \$1m over a lifetime, recent Australian Bureau of Statistics data shows.

GOVERNANCE

Gillard gamble

The Australian reported that the first Newspaper survey taken since Prime Minister **Julia Gillard** called the election for August 21 revealed Coalition support had dropped while Labor's primary vote held steady at 42 per cent to the opposition's 38 per cent.

Scared them

In a prelude to **Kevin Rudd** being replaced as Prime Minister, the *Herald Sun* reported that in the Penrith by-election Liberal candidate **Stuart Ayres** received 50.9 per cent of the primary vote, more than double Labor's 24.4 per cent. Sitting federal MPs in western Sydney had already raised concerns that the electorate had switched off the Prime Minister. The *Financial Review* reported that New South Wales Liberal leader **Barry O'Farrell** has admitted being surprised at the size of his party's landslide win in the by-election.

Dirty old dogs

In *The Australian*, in the last days of the Rudd government, **Dennis Shanahan** wrote that the Labor dogs had begun to bark about **Kevin Rudd's** leadership. They may be old dogs and even dirty old dogs, but the Labor leader ignores the warnings at his peril because they reflect a deeply and widely held concern among his parliamentary colleagues. The *Herald Sun* ran an article on how to fix Rudd's five key flaws: bad language, haste, hubris, near-sightedness and poor judgement. *The Age* reported that ACTU secretary **Jeff Lawrence** called on Labor to unite behind Prime Minister **Kevin Rudd** as senior figures tried to quell leadership speculation that was damaging the Government.

Back to front to back

Labor Party elder statesman **John Faulkner** will step down from the front bench at the election but will renominate. Unlike **Lindsay Tanner**, who will not stand again. Tanner said the move was entirely related to personal considerations. He has two young daughters, Remi, 3, and Ainslie, 5. He also has a daughter, Jemma, 15, and a son, James, 12, from a previous marriage. *The Age* reported that former senior union official **Cath Bowtell** has been selected unopposed as Labor's candidate in Melbourne. Bowtell, 46, became WorkSafe Victoria executive director in April. She has lived in North Melbourne for more than 20 years, and has two children. In 2009, she lost a bid to replace **Sharon Burrow** as ACTU president and is highly regarded in union circles.

Bequeathed to Julia

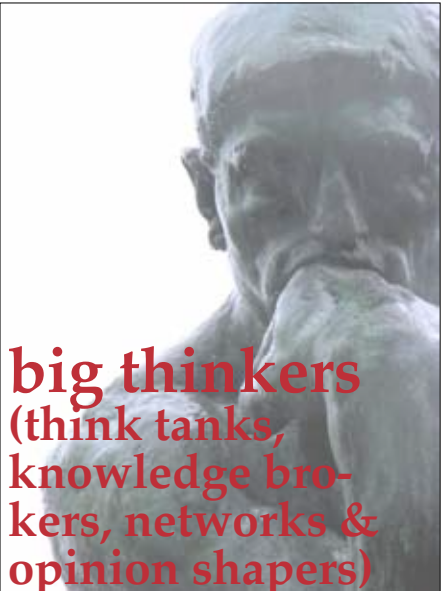
The Australian reported that **Kevin Rudd** was preparing to use a \$5.6b war chest to help Labor fight the coming election, with strategic new spending on education, health and infrastructure. Analysis of the Prime Minister's spending in the nation's 30 most marginal electorates, reveals billions of discretionary dollars are being allocated to hospitals, universities, technical colleges, roads, housing and community facilities in Labor's most vulnerable seats. Since 1949, there have only been five changes of government: 1972, 1975, 1983, 1996 and 2007.

Says one thing, does another

The Auditor-General, **Ian McPhee**, criticised the Government over taxpayer funded advertising, saying it has softened the rules and made it more difficult for advertisements to be vetted. He took aim at new guidelines to prevent misuse of taxpayers money on ads. Appearing before a parliamentary committee, McPhee said changes to the rules introduced by Labor earlier this year – which it claimed at the time would make the system more accountable – had in fact given additional latitude to a government in mounting a campaign, *The Age* reported. *The Australian* reported that McPhee said his office had been dealt out of the government review process.

Devil in the detail

The *Financial Review* reported that **Kevin Rudd's** federal reform agenda was in danger of running off the rails as the states and territories struggle to



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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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Clear thinking

Guy Barnett, a Liberal Tasmanian senator since 2002, says, in *Making a Difference – a Practical Guide to Lobbying*, released in early June, that the lobbying code of conduct introduced in 2008 contains no penalties for breaches and is administered by the Prime Minister's Department rather than someone independent. The rules governing lobbyists and the government are riddled with holes big enough to drive trucks through.

Up New South Wales way

On the opinion pages of the *Herald Sun*, **Andrew Bolt** wrote that Rudd was accused, credibly, by former New South Wales Premier **Morris Iemma** and Treasurer **Michael Costa** of having lied when he told them before the last federal election to postpone plans to sell the state's electricity assets until Rudd won office, when they'd then jointly 'f---' the unions. After the election, Rudd welched on that deal.

Nearby

Former prime minister **Paul Keating** has delivered an attack on the New South Wales ALP's Right faction, arguing that it lacks an ideology 'other than the sheer pursuit of power' and risks the future of the Rudd government, *The Australian* reported. Keating, quoted in *Betrayal*, a new book that traces the fall of New South Wales Premier **Morris Iemma** over his bid to privatise the New South Wales power industry, criticises the faction.

BUSINESS, ECONOMY, TAX

A clear view

The Age reported that Australia's economy is still on life support. The latest national account figures show that despite talk of a mining boom and Australia leading the developed world, if it were not for government stimulus spending, the nation would be going backwards. In a later article in the same paper, it was reported that **Warwick McKibbin**, the director of the Australian National University's Research School of Economics and a member of the Reserve Bank board, accused the Government of overspending on its stimulus package during the global financial crisis, and then coming up with a really badly designed resource tax to try to compensate. And he described the Government's planned \$43b national broadband network as a gigantic white elephant waiting to happen. He also took aim at fellow Reserve Bank board member and Treasury secretary **Ken Henry**, accusing him of not only failing to consult experts on economic issues, but trying to silence them.

Treasurer stands firm

The Australian reported that Treasurer **Wayne Swan** has maintained his stand against a global bank levy designed to insulate institutions against future credit crises and fund bail outs of financially troubled countries. At the G20 meeting of finance ministers and central bankers in Busan, South Korea, Swan said the Australian banking sector did not need all the increased regulation being considered. Swan also attended another meeting of the leaders of the Group of 20 nations in Canada at the end of June. Swan, as Australia's new Deputy Prime Minister, met US President

Barrack Obama. Nearby, as the political leaders of the Group of 20 nations met in Toronto, a less publicised event took place nearby: the inaugural meeting of the 'G20 business summit', or B20. The B20 is an Australian initiative that brings together 40 of the world's business leaders selected by the leaders of the G20. Australia's representatives were **John Denton**, the chair of the Business Council of Australia's global engagement task force, and **Mark Burrows**, a company director, the *Financial Review* reported.

No change

At a board meeting at the beginning of July, the Reserve Bank of Australia decided to leave the cash rate at 4.5 per cent.

Switch bank

Competition in the banking sector is set to intensify as the government moves to force down mortgage exit fees and considers making account numbers portable, allowing easy switching between banks, the *Financial Review* reported. Lower mortgage exit fees will make changing mortgage providers less expensive and more attractive to customers. *The Australian* reported as at July 1, home loan exit fees will be regulated by law – the National Consumer Protection Act run by the Australian Securities and Investments Commission – to replace the state-based Consumer Credit Code that until now has been the mainstay. It's one of a range of measures likely to emerge as the federal body takes over the regulation of consumer credit from the states.

The battle for small business

The Age reported that the battle for small-business voters began in earnest, with Opposition Leader **Tony Abbott** promising the introduction of a dedicated ombudsman if elected. And Small Business Minister **Craig Emerson** said his government's 12-month interest-free arrangements on debts to the Tax Office, which helped thousands of small businesses survive the downturn, would be extended until July 1 next year.

Super Cooper

The Age reported that the Cooper superannuation review has taken a highly interventionist approach to regulation after identifying widespread instances of market failure in Australia's \$1.3 trillion superannuation industry. The two key findings of the report were **MySuper** (a default fund for 80 per cent of workers) and **SuperStream** (a program to streamline back-office functions to reduce costs). The review reached its 177 recommendations after identifying how superannuation industry settings established in 1993 had failed to provide adequate services for investors. Rather than relying on the efficient market hypothesis of the rational investor acting rationally, embraced by the Wallis inquiry of 1997, the review found a competitive and transparent market had not been delivered.

The *Financial Review* reported that in addition to recommendations about default funds, the report proposed a shake-up of super trustee boards, a

greater role for the super regulator, the Australian Prudential Regulation Authority, and tough reserve requirements. The measures revealed in the 490-page report were broadly welcomed by the industry. Industry Super Network, which represents not-for-profit industry funds, noted the review contained a wide range of important recommendations essential to deliver optimal returns for its members. The report is the last of three reviews relating to the super sector. The first two, **the Ripoll** review of financial regulation and **the Henry** review of tax, led to reform of financial advice and the raising of the super guarantee to 12 per cent from 9 per cent. Treasury assumed 5 per cent of funds would be switched in to MySuper accounts in the short term but this would rise to 15 per cent in the longer term, putting \$110b into the new accounts. **Jeremy Cooper** said there is no justification for having hundreds of funds. It is absolutely in members interests to have fewer new funds, he said, adding that a universe of between 20 and 70 funds would be appropriate, down from 270 today. Standards and duties required of trustees would be raised by forcing them to adhere to changed laws and a code of governance, developed by industry.

Super paternalistic

The largest financial institutions in the country have described the Cooper review on superannuation as paternalistic. Under the recommendations, individual superannuation funds would be forced to provide a default MySuper fund, saving an estimated 40 per cent on current superannuation fees or \$550m a year. The Investment and Financial Services Association, the lobby group for wealth management companies including the largest banks, rejected the calculations and indicated it would campaign against the changes, *The Age* reported. The *Financial Review* reported that for-profit super funds said the proposed new look default funds would increase, not reduce fees. Cooper defended his MySuper proposal against allegations of paternalism by saying that the whole idea of superannuation can be viewed in the same way.

Patten-ising

In a comment on the Cooper review in the *Financial Review*, **Sally Patten** wrote that the superannuation industry is populated by millions of savers that have no interest in super, either because retirement is too far away, their balances are too small to worry about or they lack any financial acumen. As a result, there is a lack of general community awareness about the price of super and a failure – or inability – on the part of savers to actively choose the best manager of their retirement savings. The problem is that the lack of competition has resulted in members paying higher fees than are necessary for the products they buy.

Yes

In the same paper, **David Crowe** wrote that superannuation is a clear policy strength of Prime Minister **Julia Gillard** in her contest with Opposition Leader **Tony Abbott** and she will

want to maximise her advantage during the campaign. The financial services industry has warned that a Coalition victory at this year's federal election is the biggest threat to plans to boost superannuation payments after Prime Minister **Julia Gillard** confirmed her support for the reforms. Key industry figures have stepped up calls on Opposition Leader **Tony Abbott** to backdown on a policy to scrap the planned increase to compulsory superannuation payments if he wins power, the *Financial Review* reported.

A challenge

In the Chanticleer section of the *Financial Review*, **Tony Boyd** wrote that Australia's industry superannuation funds will have to fight for their survival if the Government accepts the key findings of **Jeremy Cooper's** review of the super system. If Cooper's key recommendations become law, the industry funds will be hit from all directions. Most importantly, they will no longer have the privileged position as preferred providers of default funds for people working under union awards.

Oh dear

The *Financial Review* reported that business and union leaders who sit on the boards of industry superannuation funds have united in their opposition to proposed reforms that would open up boards to outsiders. One of the Cooper review proposals, if accepted, would mean the trustees of superannuation funds would have to lift their governance standards in line with public company boards. This would require a third of boards to be comprised of independent directors, impose expanded legal duties and higher competence standards, and suggest that trustees should not be allowed to serve on boards of more than one fund.

Collectables

The *Financial Review* reported that the self managed superannuation industry is disappointed that the Cooper review included unpopular recommendations banning art and collectibles from do-it-yourself super funds. Affected industries have raised a crescendo of criticism since the recommendations were previewed at

the preliminary stage, but the final report shows their voices didn't sway Cooper's thinking. Self Managed Super Funds Professional Association chief executive **Andrea Slattery** said there is no reason to interfere with directing investment for small funds. Since 1999 the average DIY fund has grown from just under \$131,000 to \$947,000.

Insurance

Financial advisers will be banned from taking commissions on insurance products sold through superannuation funds as part of reforms recommended by the Cooper review. The report also recommends limits on the types of insurance that can be sold through super and tougher rules to guarantee funds act in the best interest of members.

Super

Self-funded retirees hit by the global financial crisis are getting a break from the government. A decision has been made to allow retirees to reduce their pension cash flow, which will limit the number of people who have to crystallise losses to generate income, the *Financial Review* reported.

Canberra competition

The *Financial Review* reported that Virgin Blue is planning changes to its ticket pricing, an increased Canberra presence, and automatic access to top-tier benefits for government and corporate travellers, as part of a major restructuring unveiled by new chief executive **John Borghetti**.

Harvey meets Clive. Tilarious consequences

Household goods retailer **Harvey Norman** has bought most of the stores of its collapsed rival Clive Peeters for \$55m, *The Age* reported. **Tatts Group** has become the latest Australian company to reveal it is suffering in Britain by conceding a huge write-down of its Tilarious poker machine business, *The Age* reported.

Excellence in export

Applications are now open for the **48th Australian Export Awards**, a national business awards program that rewards future focused Australian exporters that value innovation, quality and creativity. Co-hosted by the Australian Trade

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CLIMATE CHANGE. ENVIRONMENT. ENERGY

Heavy lifting required

The Government is preparing to sound out business on options to introduce an interim carbon price as Prime Minister **Julia Gillard** seeks to restore credibility on the policy following the decision to shelve the emissions trading scheme. The Government suffered another blow to its environmental credibility when an inquiry found that its **\$175m Green Loans** scheme had been badly mismanaged, with some comparing it to the insulation scheme without the deaths. The reports found that the Department of Environment staff deliberately avoided financial controls and bungled key aspects of the program as they rushed to meet the government's tight implementation deadlines.

Income versus outcome

The *Financial Review* reported that an emissions trading scheme based on consumption, rather than production of emissions, is being examined. The consumption-based emissions trading model – akin to a GST model versus an income tax model – has been advocated most forcefully in Australia by Canberra economist **Geoff Carmody**. Charging people for their consumption of greenhouse gases, rather than their emissions, has potential advantages in that there is no need to compensate industries for the cost of their carbon permits because they simply pass on the costs to customers.

Wave of hope

The *Financial Review* reported that wind, wave and geothermal power companies have been buoyed by new Prime Minister **Julia Gillard's** commitment to promote renewable energy and put a price on carbon. *The Australian* reported that Labor and trade union figures criticised an offer by Australian Greens to back the creation of a carbon tax provided **Julia Gillard** agrees to shut down the coal-fired power industry. Queensland Premier **Anna Bligh**, backed by the Australian Minerals Council and the Construction Forestry Mining and Energy Union, said 'we can't simply exit coal-fired power when it makes up 80 per cent of Queensland's power'.

An answer for the times

In the *Financial Review*, in an article under the title 'Natural gas the answer for the times', **Andrew Clark** wrote that Australia's rich natural gas reserves won't be exploited without government resolve for a carbon price. A carbon tax, at the right price, could support the construction of new base load power stations that use gas, rather than coal. The carbon price issue must be clarified. Energy Supply Association of Australia CEO **Brad Page** said the industry needs a stable policy and it has to be resolved in the next 2 to 3 years. The natural gas sector is planning projects that will create 55,000 jobs and \$220b in investment. According to a central submission to the government, abundant natural gas reserves combined with reliable gas-fired power generation technology puts Australia in an enviable position to maintain long-term clean energy security.

Strong climate policies

With an opinion in *The Age*, **Leon Gettler** wrote that many have said that climate change policies wiped out two prime ministers, **John Howard** and **Kevin Rudd**, and loused up two opposition leaders, **Brendan Nelson** and **Malcolm Turnbull**. What are the prospects for **Julia Gillard**? While it is not clear where the Gillard government stands on carbon tax versus carbon trading, the reality is we need both.

Never in doubt

An independent probe into the University of East Anglia's climatic research unit – home to the so-called 'Climategate' affair, in which about 1,000 e-mails between scientists were leaked on the internet – found that the researchers there were too secretive, but the rigour and honesty of their work was not in question, *The Age* reported.

Some benefits

A summary report by the Intergovernmental Panel on Climate Change on regional impacts focused on the negative consequences of climate change and failed to make clear that there would also be some benefits of rising temperatures, *The Australian* reported.

What's that in Mandarin?

The Chinese government expressed disbelief that former Prime Minister **Kevin Rudd** could have accused it of 'trying to rat f--k us' at the Copenhagen Summit on climate change, *The*

Age reported. Australia is being accused of trying to cheat its way out of reducing its greenhouse gas emissions by pushing for 'dishonest' forestry accounting loopholes at the latest round of United Nations climate talks.

ETS gone the way of political courage

Malcolm Turnbull has branded the Coalition's climate change scheme a medium-term, stopgap policy and suggested the Opposition lacks political courage by spurning an emissions trading scheme, *The Age* reported. He has challenged the major parties rationale in delaying action on climate change by arguing other countries are promising very substantial cuts in greenhouse gas emissions.

The renewable world

The Age reported that the Senate has passed amendments to the renewable energy target, which requires 20 per cent of energy to come from dual sources by 2020. The amendments will change the scheme so large-scale investments such as wind farms are treated differently from residential-scale renewable energy. Until now, a boom in solar hot water heaters has caused a slump in the price of renewable energy certificates, putting on hold billions of dollars in investment. Despite this, most market analysts are confident the changes to the scheme will nullify the effect of small-scale renewable power on big wind developers – including AGL Energy, Origin and former Babcock & Brown satellite Infigen.

AGL Energy had threatened to cancel its plans to build the \$800m MacArthur wind farm in Victoria because of the low REC prices. **Michael Fraser** said the move would allow the company to invest in wind projects with confidence. The *Financial Review* reported that the legislation means the certificate market will be split between those generated by large-scale renewable instalments and those by small-scale renewable technologies such as household solar hot water systems. Wind power company Carnegie Wave Energy said the new measures weren't going to help non-wind players. 'It's great for wind but it doesn't really do much for any new form of renewable energy.'

An example of policy development

The *Financial Review* reported that government, industry and community groups are taking their positions over the final regulations for the development of wind farms, expected to be adopted in July. Many believe the guidelines will only be as effective as the level of state support in applying them. **Ken McAlpine**, policy director at manufacturing firm Vestas, said 'The process of devising these guidelines is one of the worst examples of policy development ever seen. It has been a shocking waste of time and money for all parties involved'.

FOREIGN AFFAIRS

On Israel

In a letter to *The Sydney Morning Herald*, **Ross Burns**, who was ambassador in Tel Aviv between 2001 and 2003, said **Julia Gillard** had been remarkably taciturn on the excesses of Israel's actions in the past two years. He questioned her stance given that she led an Australian delegation to Israel for last year's Australia Israel Leadership Forum. He also questioned the propriety of Gillard's partner, **Tim Mathieson**, being employed as a real estate salesman by the founder of the Australia Israel Forum, Melbourne property developer **Albert Dadon**, *The Age* reported. In June 2009, Gillard and Mathieson joined other Australian politicians, including liberals **Christopher Pyne** and **Peter Costello**, in Jerusalem for the first Australia Israel Leadership Forum. *The Australian* reported that Jewish groups have questioned the claims by Burns, saying the Prime Minister criticised Israeli settlements last year.

Kevin Rudd wants your job

The *Financial Review* reported that the Foreign Affairs and Trade Minister **Stephen Smith** has signalled he wants his department to have more power and influence now that **Kevin Rudd** has stepped down. Smith told the Ten Network, referring to a speech he gave to Foreign Affairs staff, that he wanted the Department of Foreign Affairs and Trade to take up the opportunities presented by a change in prime minister and return itself entirely to the centre of policy deliberations in the national capital.

Diamonds

The Age reported that Australia's World Cup bid team has used the nation's foreign aid budget, and proposed appointing key FIFA officials as honorary consuls, as part of its strategy to win backing for its campaign. The revelations come as FIFA, soccer's world governing body, announced in Johannesburg it would investigate reports that Australian bid officials handed out jewellery and paid travel costs for a Trinidad team.

To court

Cleared terror suspect **Mohammed Haneef** is suing former immigration minister **Kevin Andrews**, demanding the Liberal frontbencher pay the difference between what he is earning as a doctor in the Middle East and what he might have made in Australia. He also filed a claim against the Australian government for unspecified financial damages arising from his arrest and lengthy detention in 2007, *The Australian* reported.

Nearby

Former High Commissioner to India, **John McCarthy**, told the Australia Unlimited 2010 Summit (held by the Global Foundation) in Melbourne that perceptions of Australia throughout Asia continued to carry racial undertones due to the treatment of Aborigines, the former rise of former One Nation party leader

Pauline Hanson and recent attacks on Indian students. This reputation impacts negatively on our ability to do business throughout Asia. At the same summit, retiring Finance Minister **Lindsay Tanner** declared Australia needs to be more welcoming to new migrants to stop them feeling alienated. *The Australian* reported that China and India are attracting greater numbers of the world's top researchers, making it increasingly difficult for Australia to counter a looming research shortfall. Allen Consulting, in a report to the government, says Australia will find it increasingly difficult to attract researchers from these countries as economies continue to expand and funds flow into their domestic innovation systems.

Lots of blubber

Peace talks over whaling, sponsored by the US, reached an impasse despite 30 rounds of meetings over two days in mid June. Environment Protection Minister **Peter Garrett** said it was time to close the door on the deal and move forward to reform the International Whaling Commission.

Not well liked

Former Prime Minister **John Howard's** bid to be cricket's international boss came to nothing. Howard's only supporters in the 10 major cricket nations were Australia, New Zealand and England, reinforcing the power of the Afro-Asia block. Australia's once powerful position has evaporated as the game's new world order continues to demonstrate its strength.

Behind iron-ore bars

The Australian reported that jailed Rio Tinto executive **Stern Hu** may be allowed to serve the rest of his 10 year prison sentence in Australia following the successful negotiation of a prisoner transfer agreement with China.

Thanks for flying with...

Two Qantas executives at the centre of an investigation into multimillion-dollar fuel hedging losses in Vietnam were allowed to leave the country and return to Australia. Jetstar Pacific's former chief operating officer, **Daniela Marsilli**, and the ex-chief financial officer, **Tristan Freeman**, flew back to Sydney at the beginning of July, *The Age* reported.

Tipper Gore

The Australian reported that **Al Gore** and his wife **Tipper** announced their decision to separate after 40 years of marriage.

Could use her nappy as a sail

Sixteen-year-old American sailor **Abby Sunderland** was rescued from the wreckage of her broken yacht, two days after fierce winds snapped the boats mast, crippled her satellite phone and left her drifting in rough seas southwest of Perth, *The Age* reported. **Joe Tucci**, of the Australian Childhood Foundation said there is a point at which these 'youngest ever' records should be stopped. Charles Sturt University professor of public ethics **Clive Hamilton** said he was somewhat in conflict. 'Rather a lone sailor than a teen porn star,' he said. Australian solo

sailor **Jessica Watson**, also a teen, was lauded by Prime Minister **Kevin Rudd** in May as the newest Australian hero when she completed a round the world voyage.

INFRASTRUCTURE

Marginal money

The Australian reported that **Kevin Rudd** tapped a \$1.337b slush fund in the budget to get an extra \$400m to kick-start his regional infrastructure fund. The new fund for roads, rail and ports in the mining states is tied to proceeds over 10 years from the now revamped resource super-profits tax, which is due to begin in July 2012. Rudd announced an additional \$400m, over four years, bringing the total for the proposed fund to \$6b.

Nearby

Business leaders cautioned **Kevin Rudd** against throwing money at new infrastructure projects in key electorates, declaring that more investment is needed to plug a multi-billion-dollar funding gap in critical projects across the nation. While the big four states alone plan to spend more than \$185billion over the next four years, underpinned by federal grants, concern is mounting that more is needed and that the Government's plan to favour Queensland and Western Australia in a new \$6b infrastructure fund will see some projects overlooked, *The Australian* reported.

It was a popular scheme for schemers

The government has conceded it could have to examine up to twice as many homes for dodgy insulation as first announced, amid suggestions that the original estimate of 150,000 inspections is too low. Documents obtained by the Australian Institute under freedom of information laws reveal that the Government was told in a consultant's report in late February that it would need to inspect the least 212,000 houses to be 70 per cent confident of identifying noncompliant installers, *The Age* reported.

US rail

The Australian reported that the Australian Competition and Consumer Commission has called for comment on the proposed acquisition of Adelaide-to-Darwin rail freight operator FreightLink by US company **Genesee & Wyoming**. Comment was also sought on whether the deal could limit competitors' access to the railway and affect prices.

Charged

The Australian reported a Queensland ceiling insulator has been charged over the death of a teenage worker who was electrocuted while installing fibreglass batts in an electrified roof cavity last November.

EDUCATION

Crean to get on top

An editorial in *The Australian* offered a suggestion on how new Education Minister **Simon Crean** can help Labor get back on track – restore confidence in the management of the \$16.2b Building the

Education Revolution program. Because **Brad Orgill's** \$14m investigation into the BER is looking as shoddy as some of the badly constructed classrooms he is investigating. As **Anthony Klan** revealed in *The Australian*, Orgill is declining to take in details of 100-plus complaints about construction work, on the grounds he cannot guarantee the anonymity of school principals, who fear retribution from Education Department officials.

Queensland became the first state to cut fees paid to project managers building hundreds of school halls, libraries and classrooms, as the government conceded there were some problems with the school stimulus program. Most editions of *The Australian* carry BER issues from the various states.

Early call

Brad Orgill defended the schools stimulus program as a success, a month before he delivered his report. He said the \$16.2b building the education revolution program has delivered schools value for money in many cases. Speaking at the New South Wales upper house inquiry, Orgill spoke of the positive attributes of the scheme such as job creation and the stimulus boost, which had been pushed by the government. He did not say why New South Wales public schools are paying roughly double for BER school buildings compared with Catholic and independent schools, *The Australian* reported.

Opinions divided

A Government audit has contradicted **Julia Gillard's** claims that 90 per cent of Primary School principals back a school building program, suggesting as many as 42 per cent had strong reservations. An Australian National Audit Office assessment of the Building the Education Revolution program for primary schools shows a wider level of dissatisfaction than publicly disclosed, *The Australian* reported. The government pushed ahead with the bulk of its \$2.1b allocation of school stimulus funding at the beginning of July despite calls from school groups and the opposition for the program to be suspended to prevent further waste. State and territory governments will get \$1.43b, while \$648m is going to independent and Catholic school authorities.

Fix the fabrication

The Australian reported that The Reed Group building company has been found to have conducted shoddy work on 60 prefabricated school buildings in northern New South Wales, casting more doubt on the government's repeated claim that instances of rotting within the school stimulus program are isolated. A spokeswoman for New South Wales Education Minister **Verity Firth** said the problems related to how The Reed Group had installed the buildings and the company had been instructed to fix the problems as soon as possible.

Fast talker

The Government's trouble plagued school stimulus program has been dealt another blow, with the revelation that not one of the science and language centres promised for 70 Victorian state schools will be delivered on time. Prime Minister **Julia Gillard** is expected to come under fire from the Opposition over the Building the Education Revolution stimulus program, which has been dogged by delays and allegations of rotting and cost blowouts, *The Age* reported.

Independent education

The *Financial Review* reported that by 2009 there were 1,022 independent schools Australia wide, compared with 919 ten years earlier, a rise of 11 per cent. Government schools, which educate 66 per cent of students, grew by 1 per cent. Catholic school populations grew by 11 per cent, while independent schools were educating 40 per cent more pupils by the end of the decade. The Australian Bureau of Statistics figures reflect the trend over the past decade of more affluent Australians investing in private education for their children.

Pining for less red tape

The Coalition is proposing to exempt the elite Group of Eight universities from the new tertiary education regulator. Although the move is likely to anger the rest of the country's universities, opposition education spokesman **Christopher Pyne** said he was concerned the new Tertiary Education Quality and Standards Agency would just add more red tape, *The Australian* reported.

Schools uniform

The Coalition has set the stage for a showdown with the states by calling for the introduction of uniform, national year 12 exams. It has also stepped up its campaign against what it regards as the politically correct bias of the proposed national curriculum, particularly the history section, which it says is a throwback to the Keating era.

F for flick

Principals have been threatened with the sack if their school's results in national tests don't improve, according to the Australian Primary Principals Association, *The Age* reported.

Too easy

The *Financial Review* reported that universities and businesses have called on the Government to broaden the age of its target group, those gaining undergraduate degrees, saying it is too low. The Government announced last year that 40 per cent of Australians aged 25 to 34 should have a bachelor's degree or higher by 2025, up from 32 per cent, to help meet the nation's future workforce needs. However, a recently released Australian Bureau of Statistics education and work publication showed that 34.6 per cent of people in the age range already had at least a bachelor's degree in 2009.

Nearby

The Australian National University has struck an agreement with the Central Party School of the Communist Party of China. **Richard Rigby**, executive director of the ANU China Institute said it would give ANU scholars ready access to the party school in Beijing, foster reciprocal visits to Australia by Chinese faculty and might help Australia influence governance in China, *The Australian* reported.

Professor Chubb

Professor **Ian Chubb** announced his retirement from the Australian National University after a decade of service. Education Minister **Julia Gillard** joined ANU's chancellor, former foreign minister **Gareth Evans**, in saying Professor Chubb would be a hard act to follow. Chubb warned that the highly rated ANU is likely to fall in global university rankings as China and Europe put more money into higher education, *The Australian* reported.

JUSTICE

Growth hurts efficacy

The Australian Securities and Investments Commission, from August 1, is taking on the enormous role of regulating all forms of consumer credit nationally. On the same day, it takes over from the Australian Securities Exchange the intensely public duty to supervising the Australian shares and futures markets. These roles add 205 consumer credit staff and 40 markets supervision staff to the existing 1,656 full-time staff. To cope with its growth, ASIC has moved into new headquarters in Market Street, Sydney. As ASIC's powers have grown – it spends about \$300m annually – so have concerns about its effectiveness, *The Age* reported.

Bribed with fake notes

The Commonwealth Director of Public Prosecutions is considering whether federal police have sufficient evidence to lay criminal charges against executives of two Reserve Bank of Australia's subsidiaries, **Securancy** and **Note Printing Australia**, for bribery of an overseas official, *The Age* reported.

Google-trust

Australia's Privacy Commissioner, Karen Curtis, has decided against an interim ban on Google cars, which roam suburbs collecting data and pictures for its Street View mapping service, because the commission has accepted Google's pledge not to do so, *The Australian* reported. *The Herald Sun* reported that Google's and Facebook's behaviour will be investigated by federal parliament for refusing to abide by Australia's privacy laws, with Communications Minister Stephen Conroy referring the two companies to a new cyber safety committee.

Our KGB

The Herald Sun reported that lawyer **Greg Barns** said the ABC's actions in removing *The Collectors* website from the internet, along with all other

references to the show's host **Andy Muirhead** – who has been accused of accessing child pornography – were akin to the actions of the Russian KGB.

Well done

Australia's longest serving judge, **Michael Kirby**, shared the 2010 Gruber Justice Prize – worth \$US500,000 (\$579,000) – with two other winners, in New York. Kirby is the first Australian to win the justice prize, named after its benefactors, **Peter** and **Patricia Gruber**.

DEFENCE

Afghanistan preferable to PR

Young Australian of the Year Trooper **Mark Donaldson VC** will rejoin his Special Air Service unit in Afghanistan. In a Senate estimates hearing, defence chief **Angus Houston** confirmed Australia's newest Victoria Cross holder had rejected his PR role. His decision to turn down public appearances in favour of his full-time job as a serving member of the SAS was supported by his commanding officer, *The Australian* reported.

In the hands of politicians

Peter Leahy, who retired as a lieutenant-general in 2008 and now heads the University of Canberra's National Security Institute, said the decision to deploy troops is too serious to be left in the hands of the Prime Minister and they should not be sent to fight overseas without Parliamentary approval, *The Age* reported.

Passed its sell by date

After another disastrous day in mid-June in which three commandos were killed and seven injured in a helicopter crash, *The Age* reported that the Government is facing increased pressure over Australia's involvement in the Afghanistan war. The paper also reported that [former] Prime Minister **Kevin Rudd** described Australia's commitment in Afghanistan as defined and finite,

as speculation mounted that the government is close to announcing a clear exit plan. On the opinion pages of *The Age*, **Anthony Bubalo**, program director for west Asia at the **Lowy Institute for International Policy**, wrote that justifying our Afghan role is a hard sell nearly a decade after 9/11, and with narrow references to terrorism and the needs of the US alliance passing their sell-by date. Australia's commitment in Afghanistan is likely to become steadily – and perhaps dramatically – more difficult to manage.

The secret nature of the infrastructure

Defence has selected a new supplier, under plans to save more than \$400m over a decade on data centre costs. Defence has about 200 data centres and server rooms spread across several locations. Over the years it had endured several data centre problems and was in need of more space. Defence chief technology officer **Matt Yannopoulos** said Defence had chosen a facility outside the ACT of 1000-plus square metres, with the intention of eventually having under 10 facilities, fundamentally because of the secret nature of the infrastructure, *The Australian* reported.

Submarine troubleshooter runs out of shots

Former senior Austal and Defence Materiel Organisation executive **Kim Gillis** has been mooted to takeover the top job at Boeing Defence Australia. He is to join Boeing as chief operating officer. Gillis spent six months as the government weapons purchaser's senior submarine troubleshooter at Adelaide-based government-owned submarine builder ASC, the *Financial Review* reported.

War crimes

The chief military prosecutor will open the way for Australian soldiers accused of killing six Afghan civilians, to be charged and tried in a civilian court, *The Age* reported.

That's a record

Veteran advertising agency George Patterson Y&R has held on to the \$40m Defence Force recruiting advertising account, following competition from about seven other agencies. **George Patterson** has held the account for a record 10 years, *The Age* reported.

Next!!

In a turnabout from the Cold War, when the CIA gave Stinger missiles to Afghan rebels to shoot down Russian helicopters, the US government is buying up Russian-made helicopters to form the core of Afghanistan's air force, a strategy that is drawing flak from members of Congress who want to force the Afghans to fly US helicopters, *The Age* reported.

AGRICULTURE & WATER

The old sugar

The name will stay, but after more than 150 years, the old sugar refining company known as **CSR** will no longer play a role in Australia's sugar industry, *The Australian* reported. The sugar business of the company previously known as the Colonial Sugar Refinery will, subject to government approval, be sold for \$1.75b to Singapore-based Wilmar, a world leading agribusiness group. Wilmar will get contracts with two thousand Queensland cane growers to supply it with cane, which will then be crushed into raw sugar for export. While CSR is selling its sugar assets to an Asian firm, it is quitting Asia, announcing the sale of its insulation, panels and trading businesses across the Asian region to the Rockpool Group for \$128m.

Apple sadder

The *Herald Sun* reported that Chinese apples were cleared for import after a risk analysis by Biosecurity Australia; a move that has devastated local orchardists. **Gay Tripodi**, horticulture president of the **Victorian Farmers**

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Federation, said she was shocked when she heard the decision, citing it as a perfect example of why growers feel they are being let down by government. A quick survey of Woolworths and Coles supermarkets found that while most fresh fruit and vegetables were Australian grown some international imports were creeping in. These included US cherries, Mexican mangoes, New Zealand kiwi fruit and persimmons, Chinese garlic and Peruvian asparagus. Representatives of Coles and Woolworths confirmed they were committed to using Australian produce wherever possible and had no plans to introduce China's apples.

A mulesing decision

One of Britain's largest department stores, John Lewis, has pledged to no longer buy wool from Australian mulesed sheep. Mulesing is a procedure in which skin is removed from the rear ends of sheep to prevent fly strike. Animal campaigners say the practice leaves lambs distressed, in great pain and often unable to stand or walk, *The Age* reported.

Charging the water

Infrastructure Australia proposed an overhaul of the way states charge for water in a landmark report on urban water. It is a move that could result in higher prices, *The Australian* reported.

MANUFACTURING

Green drive

The Greens want the Government's **Green Car Innovation Fund** to give grants for electric vehicle development, want to inject \$75m in funding for the rollout of electric vehicle infrastructure in capital cities, and will push the Council of Australian Governments to consider consumer incentives to buy electric cars, such as tax credits or registration rebates, *The Age* reported.

Turning 50 in widening gyre

On 28 June, Ford Australia celebrated two unique milestones – 85 years of Ford production and 50 years of the Ford Falcon. Nearby, Innovation Minister **Kim Carr** said that the government, through *A New Car Plan for a Greener Future*, is helping to transform the automotive industry.

COALITION DOINGS

Before the deposition

The Age reported that, in an embarrassment for the Coalition, **Tony Abbott** was forced into a denial, to deflect the appearance of hubris, after one of his own MPs said he had told a party room meeting that the Opposition was within reach of a famous victory in the forthcoming federal election. This was before Rudd was deposed.

Get a tea cup

A new book that details two years of tumult in the Liberal party, *Shitstorm*, by Canberra press gallery veterans **Lenore Taylor** and **David Uren**, reveals through frank testimony how the Liberal Party ate up, then spat out, two leaders after losing the

2007 election. *The Australian* published exclusive extracts from the book, which tells the inside story of the Rudd government's response to the global financial crisis. It also details how the Treasury under **Peter Costello** began preparing as early as 2004 for a response to the next recession. The book was launched by **Kevin Rudd** on his last day as Prime Minister and also details how he and **Wayne Swan** operated as a secretive two-man government in the early crafting of Australia's response to the global financial crisis, leaving 'kitchen cabinet' colleagues **Julia Gillard** and **Lindsay Tanner** in the dark for two months about their plans.

Prescient

Before it was known that **Julia Gillard** would depose **Kevin Rudd**, the Liberal Party machine devised an advertising campaign against her should she take over the leadership, *The Australian* reported.

Partial coalition

The Nationals have adopted different positions from the Liberal Party on water, telecommunications and parental leave, moves the rural-based party hopes will help win it seats from the Liberals in the federal election. The party celebrated its 90th birthday at its federal conference in Canberra in mid-June, the *Financial Review* reported.

Adieu

Liberal MP **Petro Georgiou** delivered his farewell speech in Parliament in early June. In it, the veteran MP accused both major parties of regressing to a punitive approach to asylum seekers and making vulnerable people political footballs.

SOCIETY

One person households

A rapid increase in one-person households will result in 1.7 million more Australians living by themselves in 20 years, the Australian Bureau of Statistics has projected. And couples without children are set to overtake the nuclear family as the most common family household within three years. As the number of households reaches 11.8 million nationally in 2031, an increase of 4 million from 2006, lone-person households are expected to surge by 91 per cent, *The Age* reported.

It's a matter of trust

The Financial Review reported that nurses have retained their place as the most ethical and honest profession in the annual Roy Morgan *Image of Professions* telephone poll of 672 people. They may be underpaid and work under extremely trying circumstances, but they have held that exalted position for 16 years since first being included in the survey. They are followed by pharmacists, doctors, schoolteachers, dentists and engineers. Way down the bottom of the list, as usual, are newspaper journalists (beaten by public opinion pollsters and TV reporters). Only advertising people and car salesmen were ranked lower.

No post for Pell

Sydney's Archbishop, **George Pell**, 69, has reportedly declined an offer to take up a senior Vatican post, citing his age and ill-health. Earlier this year, he confirmed he had had a pacemaker fitted in a Rome hospital after experiencing heart trouble during his visit to the Vatican in January. A possible reason for him not to be leaving for Rome is the absence of a clear successor in Australia, *The Australian* reported. *The Age* reported that Pell was dropped from consideration for the Vatican post because of past allegations against him concerning his response to abuse claims, according to sources in Rome.

Queen's Birthday Honours

On the Queen's Birthday, Professor **Valerie Berral**, Oxford, Britain was awarded an Order of Australia for eminent service to medicine and women's health; Justice **Geoffrey Michael Giudice**, Melbourne, received an Officer (AO) in the General Division for distinguished service to the judiciary and to industrial relations. So too **Elizabeth Mary Proust**, Eaglemont, Victoria, for distinguished service to public administration and to business, and Professor **Shirley Kaye Randell AM**, Kigali, Rwanda, for distinguished service to international relations. Australian Competition and Consumer Commission chairman **Graeme Samuel** was made Companion of the Order of Australia, as was former Victorian premier **Steve Bracks**.

Having their day

The Age reported that sex workers rallied in Sydney to demand an end to 'whore-phobic' attitudes and greater protection under anti-discrimination laws. Chanting 'sex workers rights are human rights' and 'no bad whores, just bad laws', dozens of protesters marched from the Opera house. Organised by the Scarlett Alliance, representing the nation's estimated 20,000 sex workers, the event was one of several staged to commemorate International Whores Day.

Crikey

Legal documents claim **Paul Hogan** committed tax fraud by deliberately misleading Australian and American tax authorities about his residency status, *The Age* reported. *The Australian* reported that the Australian Crime Commission is continuing its fight against the actor, his artistic collaborator **John Cornell** and their financial adviser **Tony Stewart** over alleged tax schemes.

Humble Hawke

The Herald Sun reported that **Bob Hawke** asked not to be portrayed as arrogant in a new telemovie about his life. Producer **Richard Keddie** said the former Labor Prime Minister did not absolutely love the final version of *Hawke*, which was aired on Channel 10 on July 18.

APPOINTMENTS. JOBS. TENDERS

Appointments

Alison Watkins takes on her first public chief executive role when she joins GrainCorp. Now CEO of Melbourne-based private funds manager and investment company Bannellong Group, and

formerly with consultants McKinsey & Co, head of ANZ regional banking, and leading Australia's biggest juice manufacturer, Berri. She is also an ANZ and Woolworth director, the *Financial Review* reported. Shell Australia chairman **Russell Caplan** will retire from his post and be replaced by executive vice president of upstream Australia, **Ann Picard**, who started with Shell in Australia earlier this year after having previously served in Nigeria as Shell's regional executive vice-president for Sub-Saharan Africa.

Former West Australian Premier and federal Labor minister **Carmen Lawrence** replaces inaugural chairman of the Australian Heritage Council **Tom Harley**, to provide advice to Heritage Minister **Peter Garrett** about sites to protect. **Simon McKeon** succeeds **John Stocker** as chairman of CSIRO. **Lucy Turnbull**, a Liberal, was appointed by **Kevin Rudd** to a panel reviewing capital city planning systems. The group will be chaired by former Labor minister **Brian Howe** and Turnbull will be deputy chairperson. The panel's role will be to support the Council of Australian Government's Reform Council.

Nine Network chief executive **David Gyngell** has been appointed to Melbourne's Crown Casino board, along with Australia's former chief medical officer and current professor of medicine at Sydney University, **David Horvath**, who will chair a responsible gambling committee. Bank of America-Merrill Lynch has appointed a high-powered advisory board headed by former BHP Billiton chairman **Don Argus** to oversee the merged operations of the investment bank in Australia.

Jobs

Commercialisation Australia, a \$196m program designed to help Australian researchers, entrepreneurs and innovative companies turn their ideas into internationally competitive commercial realities, by providing hands-on, tailored support throughout the commercialisation process, seeks **Volunteer Business Mentors** with technical and commercialisation experience, www.commercialisationaustralia.gov.au.

The **Public Interest Advocacy Centre**, Australia's leading public interest law centre, seeks a chief executive officer, www.piac.asn.au.

The **Pharmaceutical Society of Australia** seeks a chief executive officer.

The **Bible Society**, an interdenominational Christian organisation which dates back to 1817, seeks a chief executive officer, www.talent2.com.au.

The **Institute for Economics & Peace** seeks an executive director, www.economicsandpeace.org. The **Department of Health and Ageing** seeks a chief executive officer for the National Health and Hospitals Network Transition Office, and a chief information and knowledge officer, ian.hansen@emailme.com.au.

The **Grains Research & Development Corporation** seeks a managing director, melb@spencerstuart.com.

The **Global Carbon Capture and Storage Institute** seeks a Membership Manager, apply@marketu.com.au.

The **Australian New Zealand Policing Advisory Agency**, established in 2007 to provide strategic policy advice on cross jurisdictional policing initiatives, to enhance community safety and security, seeks a chief executive officer, www.jofisher.com.au.

The **Productivity Commission** seeks an assistant commissioner, www.pc.gov.au.

The **Grape and Wine Research and Development Corporation** seeks a chief executive officer, www.hender.com.au.

Tenders

The **Senate Finance and Public Administration References Committee** is inquiring into the key outcomes agreed by the Commonwealth, and five state and two territory governments at the Council of Australian Governments meetings of 19 and 20 April 2010, and the consultation process

prior to the agreement, www.aph.gov.au/Senate/committee/fapa_ctte/coag_health_reforms/index.htm.

The **Government** is seeking consultants to provide annual projections of possible greenhouse gas emissions from the transport sector during the next 20 years. Freight and passenger transport is thought to account for about 40 per cent of human generated greenhouse gases.

Applications for **Caring for Our Country Community Action Grants** are open, www.nrm.gov.au.

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