

LETTER FROM CANBERRA

Saving you time. Three years on. After Letter from Melbourne, established 1994.

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

Warm Up Edition

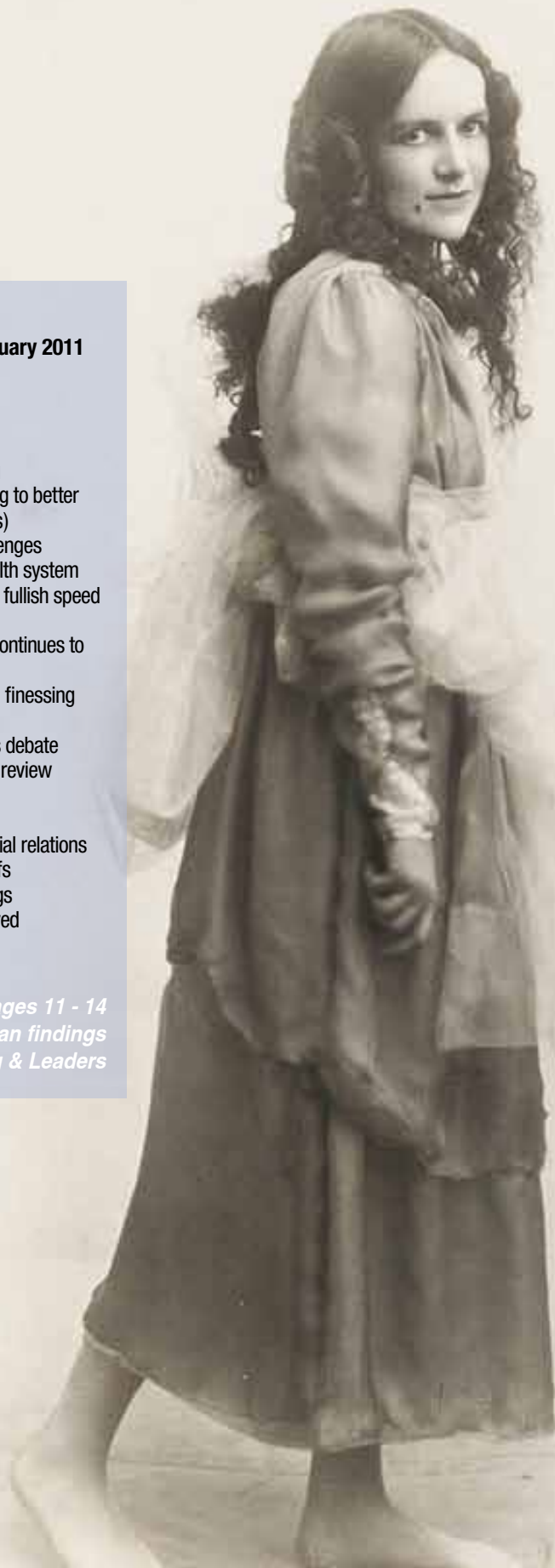
19 December to 28 February 2011

Issue 31

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Latest Roy Morgan findings
Global Warming & Leaders*



My Country

The love of field and coppice,
Of green and shaded lanes.
Of ordered woods and gardens
Is running in your veins,
Strong love of grey-blue distance
Brown streams and soft dim skies
I know but cannot share it,
My love is otherwise.

I love a sunburnt country,
A land of sweeping plains,
Of ragged mountain ranges,
Of droughts and flooding rains.
I love her far horizons,
I love her jewel-sea,
Her beauty and her terror -
The wide brown land for me!

A stark white ring-barked forest
All tragic to the moon,
The sapphire-misted mountains,
The hot gold hush of noon.
Green tangle of the brushies,
Where lithe lianas coil,
And orchids deck the tree-tops
And ferns the warm dark soil.

Core of my heart, my country!
Her pitiless blue sky,
When sick at heart, around us,
We see the cattle die -
But then the grey clouds gather,
And we can bless again
The drumming of an army,
The steady, soaking rain.

Core of my heart, my country!
Land of the Rainbow Gold,
For flood and fire and famine,
She pays us back threefold -
Over the thirsty paddocks,
Watch, after many days,
The filmy veil of greenness
That thickens as we gaze.

An opal-hearted country,
A wilful, lavish land -
All you who have not loved her,
You will not understand -
Though earth holds many splendours,
Wherever I may die,
I know to what brown country
My homing thoughts will fly.

Dorothea Mackellar

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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.

Cover: Dorothea Mackellar dressed as one of the Graces for Mrs T.H. Kelly's Italian Red Cross Day tableaux at the Palace Theatre, 20 June 1918 / photographer, Glen Broughton / Courtesy the Mitchell Library, State Library of NSW, Call number: P1 / 1075

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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 Lake Burley Griffin.

Editorial A challenging year for many leaders, and others

Welcome to our first edition for the year. It covers from the end of 2010 and January and February. We will bring you ten monthly issues before Christmas. It will be a busy year for our readers. For new readers, our methodology includes marking up several papers each day, including *The Age*, *The Financial Review* and *The Australian*, plus all types of other material that comes into our office with 'a government link'.

We started this magazine three years ago with the election/early days of new prime minister Kevin Rudd. The then centralising national focus of our nation is shifting back, a bit, to a more federation approach as more Liberal/National Party governments appear.

We have not yet opened up a betting shop as to what might, or might not, happen to the wide range of opportunities for policies and prime ministers during the year.

In the world of industrial relations, 'things' are warming up, both on the ground where people actually work (unions/their members/employers/employer associations) and also in parliament where the IR debate will get nasty, recently prompted by former industrial relations minister in the Howard government Peter Reith. Opposition leader Tony Abbott has said, no way back. Just like the prime minister said no way forward on a carbon tax in this parliament. Times change.

Our media is using its muscle to become even more important in the world of politics, and our lives. Many of us have views as to when and whether they or some or which of them do a fair job. No doubt the Channel 7 reporter Mark Riley showed his trade at one of its low points as he made to suggest that Tony Abbott was not concerned about a dead Australian soldier.

Our cover. If not directly affected by the weather that mother nature provided over the past two months, we have all had good reason to reflect. We covered this sense in our recent *Letter From Melbourne*. How modern technology and planning and regulations are no match for the strength of nature. Perhaps it made us reflect back in time, when a larger percentage of Australians lived in the bush, and were often more immediately effected by the natural environment. It made the editor muse on Dorothea Mackellar's poem, which we have included in full, particularly to give perspective of the second verse that so many of us do know. And now the sad events in New Zealand.

Isabel Marion **Dorothea Mackellar**, OBE, 1885 to 1968, Sydney-born, Australian poet and fiction writer. Her best-known poem, *My Country*, written at age 19 while homesick in England, was first published in the *London Spectator* in 1908. Her brother had a farm at Gunnedah, in northern New South Wales. A federal electorate covering half of Sydney's Northern Beaches is named after her.

Let us not forget our history in this very busy year of politics.

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GOVERNANCE

Can Gillard get it together

The *Financial Review's* Geoff Kitney wrote an interesting piece about the Labor leader's task. '[This Prime Minister must overcome greater challenges than any national leader in living memory](#). Her task is huge. In the precarious new world of minority government, in which the Gillard administration is not in control of its own destiny, the battle for political advantage is intense and unrelenting. The new order in which power is shared between the Labor Party and a gaggle of independent and minority party MPs has changed politics in ways that are yet to be fully understood. None of the major players in the Canberra game – MPs, the parties, the bureaucracy and the media – has any reference point by which to judge how to deal with the situation. For the first time since the 1975 constitutional crisis, all is new, all is different, nothing is certain. No other modern Australian federal political leaders have had their power so circumscribed. No leaders have had so little leverage on the system with which to build leadership authority.'

Henry retires

The *Herald Sun's* claim on October 28 that **Dr. Ken Henry** would retire in 2011, on 7 March, after 10 years as the Treasury Secretary, was confirmed a month later when he rejected pleas from the **Gillard** government to stay. Dr Henry's decision is a bombshell for the government, which insisted just a few weeks prior that he was not about to resign. Dr. Henry had warned ex-Treasury officials before his announcement that 2011 would be an 'awful' time because of the hung parliament. Among other things, Dr. Henry was the architect of the original rent resources tax which was partially responsible for bringing down former PM Kevin Rudd. Martin Parkinson, who is head of the climate change Department and a vocal supporter of the emissions trading scheme, will replace him in March. Former PM **John Howard** made Dr Henry, 52, Treasury chief in 2001. According to the *Financial Review*, a treasury colleague said that 'Over the years to come, Henry's report will be the reference point for tax reform.'

More bureaucratic movement

The *Financial Review* reported that **Ken Henry** was not the only senior bureaucrat departing. The Government

has also lost Family Department's secretary **Jeff Harmer**, who had flagged his retirement. Dr. Harmer will be replaced by secretary of the Human Services Department, **Finn Pratt**. The Department of Climate Change will be run by its deputy secretary **Blair Comley**. **Kathryn Campbell**, the deputy secretary of the Department of Education, Employment and Workplace Relations, will take over from Mr Pratt at Human Services. **Glenys Beauchamp** has been made head of the Regional Australia Department.

Two electoral post mortems

The Age writes that Federal Labor MP **Alan Griffin** is a prominent candidate to be part of the team reviewing the ALPs disastrous loss in Victoria's November state election. News of the [Victorian](#) review comes as the panel investigating Labor's points victory at the August federal election met in Melbourne. The Federal investigation was run by a panel of prominent Labor figures – former Victorian premier **Steve Bracks**, senator **John Faulkner** and former New South Wales premier **Bob Carr**.

Labor review produces worrying results

The Australian reported that the review of the 2010 federal election was released to the Australian Labor Party national executive, towards the end of February. According to *Financial Review*, the report found Labor's 'gang of four' leadership style under **Kevin Rudd**, along with **Lindsay Tanner**, **Wayne Swan** and **Julia Gillard**, was a bad way to run government. *The Australian* said the review identified disillusionment deep within the ranks of Labor's true believers.

Against a background of declining membership and member participation, the report concludes that Labor party members feel 'feel alienated and disenfranchised'.

It has painted the picture of a party with an alienated and ageing membership, and a failing branch structure that can no longer man key polling booths. However, it stopped short of suggesting a ban on the practice of ALP head office imposing candidates on local branches, saying that it should be considered a 'last resort.' The review, focusing on how ALP candidates were selected, was called after Labor's near-defeat in the 2010 federal election, and made 21 recommendations to reduce the power of factions and powerbrokers in the party.

Labor review

Towards the end of February, the review was released to the Australian Labor Party national executive. According to *Financial Review* the report finds Labor's 'gang of four' leadership style under **Kevin Rudd**, along with **Lindsay Tanner**, **Wayne Swan** and **Julia Gillard**, was a bad way to run government. *The Australian* said the review identified disillusionment deep within the ranks of Labor's true believers. Against a background of declining membership and member participation, the report concludes that Labor party members feel 'feel alienated and disenfranchised'.

Three-years?

If recommendations made in the Labor party's 2010 national review are applied, presidents will no longer be rotated annually, and will instead serve three year terms.

Gillard gaffs

Michelle Grattan of *The Age* writes that prime minister **Julia Gillard** is having a problem with loose words. The sloppy phrasing of the proposed cross-party committee on the Christmas Island boat disaster led some to believe, wrongly, that she wanted (the committee) to manage the aftermath, rather than just be briefed on the facts.

On another matter, Gillard has found herself hoist on her words about Wikileaks and the law. She said on December 2: 'I absolutely condemn the placement of this information on the Wikileaks website – it is a grossly irresponsible thing to do, and an illegal thing to do.' There was a certain ambiguity in the comment, but the impression conveyed was that **Julian Assange** had likely broken the law, somewhere. This was reinforced by the government asking the Australian Federal Police to advise on whether he had breached any Australian law. The unsurprising advice has now come back from the AFP: no, he hasn't. The editor of *Letter From Canberra* recently attended a performance of 'The Wharf Review' at the new Melbourne Recital Centre where many politicians and issues were skited. The impression of Julia amused the audience.

About the House

Amongst the regular notifications of House of Representatives and Senate business on page 2 of *The Australian*, recent advices include a federal election review and a public hearings for the Murray-

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The Federal Government Chart.
Ministers. Advisers. Departments. Agencies.

The Victorian Government Chart.
New government. New names.

And ready for the start of the footy season,
the Affairs of State Victorian and Federal Footy Charts.

| | | | |
|------------------|---|--|------------------------------------|
| Julia Gillard | c | Prime Minister | Leader of the Opposition, T |
| Wayne Swan | c | Deputy Prime Minister | Deputy Leader of the Opp |
| Simon Crean | | Arts | Bishop |
| Tanya Plibersek | | Social Inclusion | Shadow Minister for the Ar |
| Brendan O'Connor | | Privacy and FOI | Brandis SC |
| Mark Arbib | | Sport | Shadow Special Minister of |
| Gary Gray | | Special Minister of State for the Public Service and Integrity | Bishop Shadow Minister for COAG |

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| Simon Crean | c | Shadow Ministers for Regional Development and Local Government, Barnaby Joyce & Bob Baldwin | Regional Australia, Regio Development and Local C |
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| | | | |
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| Martin Ferguson | c | Shadow Resources and Energy, Ian Macfarlane Shadow Tourism, Bob Baldwin | Resources and Energy Tourism |
|-----------------|---|--|---------------------------------|

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|------------|---|--|---|
| Tony Burke | c | | Sustainability, Environme Population and Commu |
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HEALTH

| | | |
|-----------------|--|---|
| David Davis | | |
| Mary Wooldridge | | |
| | | Shadow Health & Menta Shadow Seniors & Agein |

TRANSPORT

| | | |
|-------------------|--|--|
| Terry Mulder | | |
| Dr Denis Napthine | | |
| | | Shadow Roads, Jacinta Shadow Ports, Major Pr Pallas Shadow Public Transpo |

BUSINESS AND

| | | |
|--------------|--|--|
| Louise Asher | | |
|--------------|--|--|

| | | | |
|----------------|-------------|-----|----------------------|
| Harry Jenkins | Sculin | ALP | Brisbane |
| Dennis Jensen | Tangney | LP | Carlton |
| Ewen Jones | Herbert | LP | Unknown |
| Stephen Jones | Throsby | ALP | Unknown |
| Bob Katter | Kennedy | IND | No team |
| Michael Keenan | Stirling | LP | West Coast |
| Craig Kelly | Hughes | LP | Unknown |
| Mike Kelly | Eden-Monaro | ALP | Brumbies (S14) |
| Catherine King | Ballarat | ALP | Richmond |
| Andrew Laming | Bowman | LP | Brisbane |
| Andrew Leigh | Fraser | ALP | Grt Wstrn Syd Giants |
| Sussan Ley | Farrer | LP | Sydney |

| | | | |
|-----------------|--------------------|---------------|----------------|
| Peter Crisp | Mildura | The Nationals | Carlton |
| Lily D'Ambrosio | Mill Park | ALP | Carlton |
| Hugh Delahurty | Lowan | The Nationals | Essendon |
| Martin Dixon | Nepean | LP | Carlton |
| Luke Donnellan | Narre Warren North | ALP | Brisbane Lions |
| Joanne Duncan | Macedon | ALP | Essendon |
| Maree Edwards | Bendigo West | ALP | Collingwood |
| John Eren | Lara | ALP | Geelong |
| Martin Foley | Albert Park | ALP | St Kilda |
| Christine Fyfe | Evelyn | LP | Essendon |
| Jane Garrett | Brunswick | ALP | |
| Michael Gidley | Mount Waverley | LP | Collingwood |

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Darling basin plan. The conduct of the 2010 federal election is being reviewed by Federal Parliament's electoral matters committee, which has examined the conduct of every federal election since 1983. Public hearings on the social and economic impact of the proposed Murray-Darling basin plan to be held in South Australia, Victoria and New South Wales in January 2011. The House of Representatives Regional Australia Committee is calling for submissions to its enquiry and wants to hear about opportunities for water efficiency, infrastructure needs and regional diversification in the Murray-Darling Basin, www.aph.gov.au/mdj or email ra.reps@aph.gov.au or (02) 6277 4162.

Good for the historians

Diplomatic editor for *The Age* Daniel Flitton writes that the Wikileaks diplomatic cables detailing observations by Kevin Rudd and others will have a long-lasting impact and provide crucial background that people will return to when judging our political leaders.

Gillard coveted top job a year before coup

The Age writes that Don Farrell, one of the so called 'faceless men' behind the political overthrow of Kevin Rudd, told the US embassy a year before the coup that Julia Gillard was campaigning for the leadership, Wikileaks cables reveal, Senator Farrell, a South Australian right wing factional power broker who was instrumental in installing Gillard, believed she was gunning for the PM spot well before Rudd's polls collapsed.

Something new

Julia Gillard shunned the trend set by her predecessors and did not sending a picture of herself and partner Tim Mathieson as her official Christmas card. Nor has the PM gone for religious images, Santas or drawings by children from her electorate. Instead the lucky people on the Prime Minister's Christmas card list received a charity card from Oxfam with a photo of baubles on the beach, in *The Age*.

Abbott briefed, expectantly

According to documents obtained by the *Financial Review*, the nation's top officials praised Labor's infrastructure plans and its deregulation agenda as two policies that should be retained in the event of a change of government following last years election. The opposition leader was urged to adopt some of Labor's main economic policies. The incoming government brief drafted for Abbott, known as the *Blue Book*, warned that the economy was vulnerable to another international downturn despite growing domestic recovery. The briefing also included an alert that too many Australian workers were quitting to take disability pensions as the federal social services bill climbed beyond \$220 billion a year.

Union's green thumbs

Left-wing unions gave \$70,000 to the Greens in the lead up to last year's federal election. The Greens released the figures ahead of the annual deadline for the disclosure of donations set by the Australian Electoral Commission. The donations came from groups such as the Australian Manufacturing Workers

Union, the Construction, Forestry, Mining and Energy Union, and the Communications, Electrical and Plumbing Union. Certainly helped Greens candidate and now federal member Adam Bandt!

Leadership material

Queensland Premier Anna Bligh had Australia captivated during her states recent natural disaster. Many media commentators claiming that she overshadowed the PM with her emotional yet commanding addresses.

Gillard observed

In the first week of federal parliament, Laura Tingle wrote some interesting observations about the proceedings in the *Financial Review*. You could be forgiven for not knowing there was actually some significant things going on this week... The Prime Minister has been trying to lock in an agenda that will give her the best chance of staying in her job, and of the government being re-elected... Even before all the noise about Julia Gillard's performance during the floods, there was a sour tone around her, a leftover from last year's coup and the election campaign. A torrid political year had finished for many without a resolution of many of it's tensions. Gillard has been battling both to lower expectations from the over-promising stance of her predecessor and to ensure she delivers something of substance that gets the delivery monkey off the governments back... Tony Abbott's problem is that he is facing the first real ongoing test of his authority as the Coalition party room starts to hunker down for what could be another couple of years in opposition.

Perspectives

The Australian reporter Paul Kelly was critical of Tony Abbott's handling of several major issues in what could only be described as a week from hell for the Opposition Leader, the first week in February, as parliament sat for the first time this year. Kelly highlighted the creation of a rift with Julie Bishop, as the drawing of negative attention towards the Coalition, and a bizarre meltdown on camera during an interview with Channel 7 reporter Mark Riley as crucial mistakes made by Abbott. In contrast, Kelly praised Prime Minister Julia Gillard's handling of the week's events, describing it as 'a dream opening to the parliamentary year'.

Open it up

Labor has been urged to open party preselection to the public as part of a strategy to regain lost supporters disillusioned by the party's timidity and lack of a compelling policy agenda. *The Australian* reported that in a confidential submission to the ALP's election review, the right-wing Transport Workers Union says the Gillard government must become profoundly more Labor to win back the broad electoral coalition that supported the party at the 2007 election.

Did they just...

Advocacy group GetUp! accepted a record \$1.12m donation from a big union just before the federal election while urging its members to support a ban on political donations from unions and business. It used the donation from the Construction, Forestry,

Mining and Energy Union to fund a TV advertisement attacking Liberal leader **Tony Abbott**. GetUp! is now surveying its members on whether it should keep taking large donations, *The Age* reported.

Liberals leading polls despite internal woes

Despite continued speculation of leadership challenges and internal unrest, polls published in *The Age* and *The Sydney Morning Herald* showed that the Coalition had kept its lead over Labor, and would have formed government if the election had been held in mid-February.

Aid advisors get salary cut

Technical advisors to foreign aid programs will have their luxurious salaries cut by 25 per cent, *The Australian* reported. The tax-free \$500,000 salaries of the highest-paid advisors were called into review last May by then Prime Minister **Kevin Rudd**.

Re-energised Robb wants to play Hockey

In a feature in the *Herald Sun*, senior Liberal **Andrew Robb** declared his interest in taking over the Treasury portfolio, currently held by **Joe Hockey**. Robb, who now swims 1500m a day to keep fit, has emerged from a battle with depression and is keen to re-establish himself as a key player in Australian politics. He is currently writing a book about his battle, highlighting his experience with medication which initially worsened his depression. 'What really struck me,' Robb said, 'was there were so many captains of industry, most people would have heard of them, who in one way or another said to me, 'welcome to the club.'"

Gillard (firmly) on top

A string of political gaffes from opposition leader **Tony Abbott** gave **Julia Gillard** her strongest personal support rating since she became Prime Minister, according to a poll taken between February 18 and 20. The poll showed Gillard leading Abbott 53-31 as preferred Prime Minister, despite the two party preferred poll showing a 50-50 split between Labor and the Coalition. The latest Newspoll, taken after recent opposition disunity, suggests that the two party edge that Abbott had been building may have been wiped out. However, how voters will react to Gillard's carbon tax remains to be measured...

Don't look back in anger, Kristina

NSW Premier **Kristina Keneally** admitted to misjudging the public's anger over the multi-billion-dollar sale of the state's electricity assets, *The Australian* reported. But Keneally still refused to recall state parliament to remove the legal uncertainty surrounding the upper house inquiry into the \$5.3 billion sell-off. Despite labelling the inquiry unconstitutional, she and state treasurer **Eric Roozendaal** eventually appeared at a hearing into the sale to ensure 'transparency and openness.'

NSW Liberal's plan for victory

The New South Wales opposition frontbench has begun work on plans for the lead up to the March 26 election and the coalition's first 100 days in government after that. Newspoll surveys suggest the coalition will almost certainly win the election after

16 years in opposition, and analysts are tipping it is guaranteed at least two terms in government.

INDUSTRIAL RELATIONS. EMPLOYMENT

Big hat in the ring

The Age reported that independent **Bob Katter** has offered strong support to the union campaign to abolish the building industry watchdog, and also offered an impassioned defence of unionism and the right to strike. In the latest sign of some of the unusual alliances that a hung parliament is producing, Katter, a former National Party MP, joined forces with the left-wing Electrical Trades Union state secretary, **Dean Mighell**.

Labor at pains to prevent pregnant pause

The Federal government is encouraging obstetricians to ignore pressure from expectant mothers wanting to delay giving birth until after January 1 so they can access the government paid parental leave scheme the government is worried that some mothers may put their health and that of their unborn babies at risk by seeking to delay giving until they are eligible for the scheme which offers 18 weeks of leave paid at the minimum wage working mothers.

Timber!

The union representing forestry workers has conceded logging in the nation's natural forests must stop, declaring an armistice in its 30-year war with the environment movement. But the Construction, Forestry, Mining, and Energy Union now wants the green lobby and governments to secure the industry's long-term survival by agreeing to an expansion of plantation forestry, *The Australian* reported.

Unions to boycott 'sham contracting' enquiry

Unions will boycott an enquiry into dodgy building industry contracting, despite union complaints that the problem is rife and workers are being exploited in sham arrangements. Australian Building and Construction Commissioner **Leigh Johns** recently launched the 'sham contracting' enquiry and said there was 'evidence of widespread abuse' of contracting in the industry. But the ACTU will boycott the enquiry and 'maintain its opposition to the ABCC', which it wants abolished. About one third of contracting in the Australian economy occurs in construction. Johns said although much of it was legitimate, there were major problems. Sham contracting is when a relationship between an employer and worker is misrepresented as one where the employee is providing a contract. This can allow bosses to avoid providing leave, superannuation and higher wages while the employee can avoid higher rates of tax. But the Construction, Forestry, Mining and Energy Union national secretary, **David Noonan**, said the watchdog was trying to 'put lipstick on the pig' with its enquiry.

AWU Basin Plan

In the *Financial Review* the Australian Workers Union said that any plan for the Murray Darling Basin should encourage investment in regional Australia, rather

than just delivering handouts. 'The sector does not need handouts and protection,' secretary **Paul Howes** said.

So little faith

A survey commissioned by the Australian Workers Union showed that worker confidence in the ALP is waning. The results show that an increasing number of employees view Labor's economic management as bad compared with 12 months ago.

Surprise, surprise, unions want a rise!

Labor's new workplace laws are helping trade unions rebuild their presence in the mining sector, *The Financial Review* reported. With the expiration of nearly half of the collective agreements in the resources industry, the unions are regaining leverage, and have vowed to continue pushing for pay increases as well as higher employer superannuation contributions. The union movement's aim is to accelerate the government's plan to raise superannuation from 9 to 12 per cent, which is currently scheduled for 2019-20.

Networking skills

The union representing NBN workers, the Communications, Electrical and Plumbing Union today called for Australians to regard the National Broadband Network as a unique opportunity to enhance national skills development, saying there was no need for a skills crisis to develop around the nation building infrastructure project.

Union builds high-raise ambitions

The Construction, Forestry, Mining and Energy Union is seeking pay rises of up to 24 per cent over four years, according to an article published in *The Australian*. The move has sparked warnings from employers that a raise of such nature would lead to inflationary pressure, and would cause the Reserve Bank to increase interest rates.

Shipping changes could sink jobs

The Australian reported that, according to 'big businesses', **Julia Gillard's** proposed new shipping laws are a step in the wrong direction, and would lead to increased costs and reduced jobs. Responding to the government's discussion paper on shipping reforms, the Australian Industry Group said it opposed proposed changes to the system for foreign vessels.

Union ruling a blow for employers

A Federal Court ruling strengthening the rights of employees doing union business could result in employers having less control over their staff, *The Financial Review* reported.

Labour training

Financial Review said that the Gillard government would have to shake up its apprenticeship scheme after a report Labor commissioned showed they were not getting value from the \$1.2 bn spent on training.

Work choices

In an exclusive, Howard government enforcer on industrial relations and waterfront reform, **Peter Reith** spoke about Work Choices with *The Australian*. He challenged **Tony Abbott** and the Coalition to 'not be

afraid' or 'spooked' by a Labor scare campaign on Work Choices and produce labour market reforms in the national interest. Reith expects the industrial relations climate to worsen this year as unions exploit generous right-of-entry clauses in Labor's Fair Work Act.

CLIMATE CHANGE. ENVIRONMENT. ENERGY

Hello! Carbon price here.

On February 24, the government released a press statement [and](#) a supporting several page document/framework, outlining details of the Multi-Party Climate Change Committee, outlining its plan to cut pollution, tackle climate change and deliver the economic reform Australia needs to move to a clean energy future.

The two-stage plan for a carbon price mechanism will start with a fixed price period for three to five years before transitioning to an emissions trading scheme. The Government will propose that the carbon price commences on July 1 2012, subject to the ability to negotiate agreement with a majority in both houses of Parliament and pass legislation this year.

'A carbon price is a price on pollution. It is the cheapest and fairest way to cut pollution and build a clean energy economy. The best way to stop businesses polluting and get them to invest in clean energy is to charge them when they pollute.

The Government will then use every cent raised to:

- Assist families with household bills
- Help businesses make the transition to a clean energy economy
- Tackle climate change

'Right now, Australia is at risk of falling behind the rest of the world. The longer we wait, the greater the cost to the economy, and the greater the cost to Australian jobs. An initial fixed carbon price will provide businesses with a stable and predictable platform to transition to a 'cap and trade' emissions trading scheme that will be linked to international carbon markets. This will give businesses time to understand their carbon liability and begin the transformation in a steady and purposeful way. This proposal is the result of hard work by the Multi-Party Climate Change Committee. The framework has been agreed by Government and Greens members of the Climate Change Committee. The other members, **Tony Windsor** and **Rob Oakeshott**, have agreed that the proposal should be released for community consultation.

The Committee will continue to discuss other important elements of the proposal including the starting level of the fixed price, any phasing in of sectors of the economy, and assistance for both households and industry. The document outlining the proposed carbon price mechanism is attached. Members of the public and interested parties who wish to provide input on this approach should contact MPCCC@climatechange.gov.au

How the carbon tax will work

The Australian made a **dot point** explanation of the carbon tax as follows.

- Fixed price per tonne of carbon from July 1 next year,
- Polluters (power stations, factories, transport, mining and landfill operators) will be forced to buy carbon permits to cover their green house emissions, agriculture exempt,
- Cost of carbon permits to increase annually for three to five years, followed by a shift to a flexible market-based regime where permits can be traded,
- Governments to review progress 12 months before end of transition period, with option to postpone market-based cap-and-trade scheme, 2020 target or emission target to be finalised ahead of the start of the cap-and-trade scheme,
- Assistance for needy households and affected businesses,
- Carbon credits to be considered to support farming and other land use practices.
- Still to be negotiated with the crossbenchers are the following.
- Starting price and annual increase per tonne to apply from 2012,
- Length of the transition period between fixed and flexible price,
- Final 2020 target for emissions cut,
- Details of sectors to be covered, and when they will come under the scheme, Details of compensation to households and businesses.

Carbon price to double

The Age aired business and industry fears that the cost of carbon will double by 2015-16 when the emissions trading scheme begins. The carbon tax that goes into effect from July 1 next year is currently \$20-\$30 per ton.

Green with rage

The Gillard government has angered the Greens by insisting on compensation for the coal and electricity industries to soften the blow of carbon emission regulations.

Where Julia stands

Julia Gillard has fended off allegations she lied when ruling out a carbon tax before the election by claiming on 2GB and 3AW that voters knew where she stood on carbon pricing.

High stakes on carbon tax

The Age political editor **Dennis Shanahan** wrote that **Julia Gillard** was staking her leadership on the carbon tax. He said that the PM's credibility rested on her ability to deliver an 'acceptable price on emissions'.

Gillard vs Thatcher

The editor-at-large of *The Australian*, **Paul Kelly**, wrote that **Julia Gillard's** unblinking approach on carbon pricing was either hurling her towards 'political suicide' or recasting her 'in a Thatcherite mantle to prevail against the odds'.

Carbon tax compensation

According to *The Age*, Labor is preparing a multi-billion dollar carbon tax compensation package that

could leave up to 2.6 million low income households better off and a further 1.7 million middle income households no worse off. It is believed that the spending, funded out of revenue raised by the tax, is likely to be delivered using a combination of tax and welfare measures, including lifting tax concessions for low-income earners and targeting tax cuts to help families on middle incomes.

Carbon tax and petrol

The greens have pushed petrol in the war over a carbon tax, insisting prices should rise at the bowser as part to the plan to combat pollution. Including transport in the carbon tax regime is expected to raise petrol prices in a time of rising oil prices. **Tony Abbott** said the carbon tax meant people would pay \$300 more a year on their electricity bills and 6.5c a litre extra for petrol.

New South Wales opposition leader **Barry O'Farrell** called on voters to make the March 26 state election a referendum on the issue and vowed to travel to Canberra to lodge a protest against the carbon tax if he won.

Uncertain times

The heads of Australia's largest superannuation funds have in recent times, formed a group to lobby politicians for a carbon price, in the latest push by business for certainty on climate policy. The new panel includes the chief executives of Colonial First State, AMP Capital Investors and HESTA. Overall, the nine companies involved control \$350b, *The Age* reported. Nearby, *The Australian* reported that Julia Gillard has criticised claims that pricing carbon will increase electricity charges, arguing that under-investment in the sector is contributing to higher costs and the only way to attract the necessary investment is to put a price on carbon. The Prime Minister's comments in Question Time came as 258 major international investors representing \$US15 trillion in funds, made a call for the government to take action to spur private investment in low-carbon technologies.

Industry wants in on secret carbon negotiations

A recent report in *The Financial Review*, and prior to 24 February, highlighted industry's concern about the secrecy surrounding carbon price negotiations and the uncertainty this is creating. As negotiations continue, **Julia Gillard** faces a difficult task balancing concern about rising electricity prices, the desire within the energy sector for investment certainty, environmental needs and the position of emissions-intensive trade-exposed industries.

Chief scientist quits

Australia's chief scientist, Professor **Penny Sackett**, has not met, or been invited to brief Prime Minister **Julia Gillard** on science policy issues, a senate estimates committee has been told. Sackett resigned in late February, less than halfway through her five-year appointment.

She told the public hearing that Australia's emission reduction targets were insufficient to prevent dangerous climate change. Asked by *The Canberra*

Times what advice she might offer her successor in the role, Sackett said the government needed to define the position more clearly.

Energy uncertainty

An article in ENERGYNEWS discussed the International Energy Agency's annual World Energy Outlook 2010, which is the world's most authoritative source of energy market analysis and projections. It provides critical and political insights into trends in energy and supply and what they mean for energy security, environmental protection and economic development. The WTO – 2010 report provides updated projections of energy demand, production, trade and investment, fuel-by-fuel and region-by-region to 2035.

Oh, Canada

One of the world's largest proposed carbon capture and storage projects, based in Canada, is expected to be granted \$5m in funding by Australia's Global Carbon Capture and Storage Institute. Project Pioneer, located in Alberta, Canada, is being developed by TransAlta Corporation. The funding is tipped to be used to retrofit the companies' jointly owned coal-fired power plant, currently under construction, with the technology set to capture 1 million tonnes of greenhouse gas annually. The announcement came as the institute launched National Carbon Capture and Storage Week in Melbourne. **Dale Seymour**, the Institute's vice-president of strategy, said carbon capture would have to be part of the global effort to bring down emissions. Former Prime Minister **Kevin Rudd** launched the Institute last year, providing it with funding of \$100m a year to improve knowledge-sharing about the technology and advance its development, *The Age* reported.

Persevering with preservation

An area equivalent to nearly eight per cent of the continent should be added to Australia's conservation zones over the next five years to help preserve biodiversity, according to a recently released national strategy, *The Age* reported. The plan, released by environment minister **Tony Burke**, will set ten targets to tackle the loss of plant and animal species across the country. Meanwhile, Burke's decision to skip United Nations talks aimed at slowing plant and animal extinction has come under fire from the head of the World Wildlife Fund, who says political leadership will be crucial to getting a deal done. WWF director-general **Jim Leape** said he understood a strong representation of environment ministers would attend the second week of talks, with some already arriving. The meeting was attempting to establish a new 10-year agreement to preserve the world's environment.

Another project...

The mandatory reporting of the energy efficiency in millions of homes across Australia is being delayed by the government with no date set for its implementation. The delay with the household energy efficiency rating scheme follows the disastrous home insulation and green loans schemes. An agreement by states, territories and the federal Government signed in July 2009, to introduce mandatory disclosure of the energy efficiency of all homes at the time of sale or lease from

May this year has collapsed. The government denied the plan had been axed but was unable to provide any details of a time of implementation for the scheme, *The Age* reported.

Solar games

More than \$1b of taxpayers' money was wasted on subsidies for household solar roof panels that favoured the rich and did little to reduce Australia's greenhouse gas emissions, a review has found. The review of the now scrapped government solar rebate scheme, conducted by ANU researchers **Andrew Macintosh** and **Deb Wilkinson**, also found the rebates did little to generate a solar manufacturing industry in Australia, instead it sent hundreds of millions of taxpayer dollars offshore. Macintosh, deputy head of ANU's Centre for Climate Law and Policy, said the rebate had been beautiful politics, terrible policy.

The program, started in 2000 with lower rebates, offered households an \$8,000 rebate to install solar power panels on their roofs. In total, the Government spent \$1.1b installing 107,000 rooftop solar panels. In June last year the Rudd government cancelled the program with less than 24 hours notice after surging demand rendered the scheme financially unsustainable. A less generous solar credits program has since replaced the rebate, *The Age* reported. The Government later announced that subsidies for household solar panels will end sooner than planned.

Nuclear debate warming

Former adviser to **John Howard**, and newly elected Liberal member for the Melbourne seat of Kooyong, **Josh Frydenberg**, has called for a national debate on nuclear power as a way of achieving environmental sustainability, the *Financial Review* reported.

Climate deal turns up heat.

The Age reported that a last-minute agreement at United Nations talks in Mexico had increased pressure on the Gillard government to lift its ambition in tackling climate change, with the Greens claiming Labour has 'no choice' not to set a more ambitious target than a 5 per cent cut in greenhouse gas emissions. The deal included arrangements are protecting tropical rain forests and a planned \$US100 billion green climate fund to help the most vulnerable nations cope with the effects of climate change.

Japan stalls ETS plan, more pressure on

Julia

Japan's decision to postpone its plans for an emissions trading scheme by 2013 has increased pressure on **Julia Gillard** over her goal of pricing carbon by next year. The decision comes after the US also stepped back from a national emissions trading scheme and as international firms remain concerned about the lack's pollution controls in China, which has no obligations under the Kyoto protocol. Climate minister **Greg Combet** has repeatedly argued that Australia is 'locking our economy into failure' without a carbon price.

Affordable housing in ruins

The *Financial Review* said that a key Federal government policy to increase the supply of affordable housing has failed because environmental hurdles

in the State and local planning processes that have blocked investors from buying and developing vacant land. A departmental briefing prepared for the government warns of a shortfall of 304,000 dwellings by 2014, said just three sites had been sold as a result of the Commonwealth land audit, a 2007 Labor election commitment. The briefing by the Department of Sustainability, Environment, Water, Population and Community to minister **Tony Burke**, after this year's election, also identified problems with other Labor housing promises.

National focus on city water

According to *The Australian*, the National Water Commission, the key water advisor to **Julia Gillard** and the state premiers, is considering a new round of reforms including linking prices to dam storage levels and opening the water supply in cities and towns to further competition. The commission is conducting research on the measures as it undertakes a landmark review of the National water initiative – the 2004 intergovernmental deal to overhaul management of water resources – that is due to be released in 2011. NWC acting chief executive **James Cameron** said there was a opportunity to roll-out reform to urban water distribution as Australia moved out of the crisis caused by a decade of drought.

It's a biggy

The Age reported that **Julia Gillard** has put imposing a carbon price in the same league as of the historic economic reforms of floating the dollar and cutting tariffs of the Keating and Hawke governments, as she steps up the Government's effort to win support for the change. In an article in the same paper, the Prime Minister presents a stark choice to Australians, asserting that without a carbon price, electricity prices will spiral, big investment decisions will remain on hold, our power supplies will begin to run short, and clean energy jobs will be lost offshore.

Clunker dwarfs ETS

The government's cash-for clunkers proposal would have cost 15 times more than an emissions trading scheme to reduce carbon pollution, and no research has been conducted on the fallout on used-car dealers from the vehicle buyback policy. According to *The Australian*, bureaucrats charged with administering the clean car rebate scheme have confirmed that compliance to ensure vehicles were scrapped was a 'major concern' overseas. Under the plan, owners of cars manufactured before January 1, 1995, would have been eligible for a \$2000 rebate when they bought a new car with a green vehicle greenhouse rating of six or above. The scheme was capped at 200,000 vehicles over four years. BY February, the Clunkers programme, along with several other environmentally-oriented programmes, was clunked as a part of cost cutting to pay for the federal government contribution to the Queensland flood repairs

NSW power goes private

The New South Wales government has completed one of the last of the country's biggest asset privatisations, selling the state energy retailers and the output of electricity generators. This conclusion to

the protracted power privatisation is set to trigger a major share market float and separate rights issue as TRUenergy and Origin Energy snare the prized assets. As revealed exclusively online by *The Australian*, CLP Holdings' TRUenergy unit will purchase the state's largest electricity retailer, Energy Australia, and the trading rights to the output of Delta West Power Station. Origin Energy will acquire both Country Energy and Integral Energy, as well as the gen-trader rights for Eraring power station.

Green Scheme dumped

At the end of December **Julia Gillard's** government dumped 'yet another bungled environment scheme' and has been forced to offer \$30 million in compensation to 10,000 people who will be out of work as a consequence, according to the *Herald Sun*. There is now no major policy to encourage funds to be energy-efficient and fight rising electricity prices.

The \$212 million green start scheme which has been promised to begin before the end of the year had been scrapped after the government admitted it had no confidence in it. Instead, it is bringing back the axed 'green loans scheme' – for just two months – before it too will be closed down on February 28. Climate change Minister, **Greg Combet**, said there were 'major risks' associated with the green starts scheme as it relied on poor quality data that has been criticised by the auditor general.

Water pumped into flooded Murry-Darling

Snow-Hydro chief executive **Terry Charlton** confirmed to *The Australian* that thousands of litres of water were dumped into the Murray-Darling basin, but claimed the authority had little choice. He said '... we took as much as possible into storage to mitigate the floods. But by Thursday and Friday we didn't have the capacity to store it.'

Clean power backlash

The Australian speculated that the governments push to mandate clean power stations could backfire as electricity generators threatened to delay upgrades to dirty coal-fired facilities. In a submission to the government obtained by *The Australian*, the power generators say tough new carbon pollution standards could apply to expansions to old power stations. This is despite **Julia Gillard's** vow during last year's

federal election that the standards would not apply to existing stations and were aimed at ensuring that dirty power stations were never again built in Australia. The electricity generators have joined Australia's biggest miners and banks in warning that the government is raising sovereign risk concerns that could spook investors.

Smells fishy

Ten billion litres of environmental water was released into the lower Goulburn River in a bid to clean up the river and protect native fish, the Department of Sustainability and Environment said yesterday. **Mark Bailey**, of Goulburn Murray River Water, said the black water was caused by the rapid decay of leaves and twigs accumulated during floods. The decay caused low oxygen levels in the water and suffocated fish and other aquatic life. Claiming the government had acted too late, **Jodie Ross** of south east Mildura said 'the black water has wiped out the Murray River, all the fish are dead.'

Burning irony

In an ironic twist, Victoria's wet spring has actually left the state at increased risk of bushfires, *The Australian* reported. The rain has meant that controlled burning efforts were severely restricted, which leaves more fuel for potential bushfires when the weather heats up.

EPA wants coal plant to be squeaky clean

Approval for Victoria's \$750 million coal-fuelled power station has been put temporarily on hold while the Environmental Protection Agency clarifies key aspects of the plant's design, *The Financial Review* reported. The EPA has requested additional information from HRL, the company behind the proposed 600 megawatt plant, before it will continue its assessment for a permit. The plant is being pitched as a clean-coal project because it dries and 'gasifies' the coal before it is burnt.

\$5.5 billion carbon waste

The Age reported that, despite \$5.5 billion of federal funding, climate change programs have barely reduced greenhouse gas emissions. An analysis of the schemes showed that they have cost an average of \$168 for each tonne of carbon dioxide reduced.

On a wing and a prayer

A report titled 'The State of Australia's Birds 2010: Islands and Birds' was released as a supplementary to the December issue of *Wingspan*, Vol. 20, no. 4, the national magazine of birds. It contains 52 pages of fascinating stories and photos of birds in and around the Australian continent. Join Birds Australia, www.birdsaustralia.com.au

THE WEATHER

Cyclone Yasi

In the early hours of February 3, tropical cyclone Yasi made landfall in Queensland. The category 5 storm was the largest to hit the mainland since 1918, and brought 290k/h winds and heavy rain to the region with wet weather experienced all the way down in Melbourne as a result. There was serious damage from Cairns to Townsville, with the *Financial Review* the next day calling the disaster a '\$1bn king-hit' to the state. The cyclone would compound the devastation from the floods, which was already billed at \$5.6bn.

Levy politics

The flood levy proposed by **Julia Gillard**, which would help pay for reconstruction and assistance to flood ravaged and cyclone damaged areas, dominated political discussion and headlines for some time in early February. The levy will come in the form of a tax of 0.5 per cent on income over \$50,000 and 1 per cent on income over \$100,000. *The Age* described the flood levy as 'designed with politics, as much as revenue in mind', and the divisive discussions that followed support the claim. According to a Newspoll taken at the time voters supported the levy. However, at the same time Labor recorded their lowest two party preferred numbers since Gillard took office in June last year, falling 2 points behind the Coalition.

Green washout

The bill for flood reconstruction is not just being funded by the levy. Green programs have been slashed to help raise \$2.8bn. The 'cash-for-clunkers' program has been ditched for a saving of \$429 million, but at the cost of breaking a **Julia Gillard** election promise. According to *The Age*, \$1bn is expected to be saved

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by delaying infrastructure projects around the country, also freeing up skilled labour for reconstruction.

Brisbane bog

Mid January Brisbane got its share of Australia's wet weather, with *The Australian* describing the Brisbane River as having 'turned the city into a mudflat'.

Insurance against compassion

Queensland Premier **Anna Bligh** and Prime Minister **Julia Gillard** have called on insurance companies to pay claims to flood victims who were not fully covered. Treasurer **Wayne Swan** and assistant treasurer **Bill Shorten** engaged the companies at an industry meeting but failed to get them to commit to the government's suggestions.

Government pours funds into Queensland

Julia Gillard announced the diversion of more government funds to Queensland in a bid to save the state from an economic crisis as it deals with the aftermath of the December floods. *The Australian* reported. Clean-up grants of up to \$25,000, along with low interest loans, will be given in addition to the commonwealth's normal emergency relief payments.

Flooded with calls for Murray-Darling plan to be washed away

The already embattled Murray-Darling rescue plan came under increased scrutiny in the aftermath of the Queensland floods, with the huge volume of floodwater flowing into the system prompting calls for the project to be delayed, or even scrapped altogether. National Farmers Federation president **Jock Laurie** told *The Australian* six months of strong flows into the system 'buys the government time to sit back and make sure they get this right.' However, the Australian Conservation Foundation continued its calls for the Gillard government to go ahead with the plan as scheduled.

Research can be a good idea

At the end of August 2010, assistant director general of Queensland's Office of Climate Change, **Greg Withers**, filed an application for federal funding for a research project into the possibility of a catastrophic flood in Queensland's coastal regions, *The Australian* reported. Withers, husband of Queensland premier **Anna Bligh**, believed that the threat of simultaneous river flooding and storm-tide inundation had never been properly investigated. 'There has been very little research on the impact of these combined events to inform emergency response and planning constraints,' Withers said in his funding submission. Now, given the extent of the Queensland flood disaster, Withers' submission seems disturbingly prophetic, and serves as a reminder of what more could have been done to prepare for the disaster.

Disaster could trigger flood of support for Bligh

The Queensland floods could save **Anna Bligh's** job, **Andrew Fraser** wrote in *The Australian*. The premier had the support of less than 1 in 4 Queenslanders before the floods, but her handling of the situation could give much needed momentum going into the next election.

Abbott's dam good solution

According to *The Australian*, **Tony Abbott** is to develop a plan for the construction of a series of dams around Australia. Such a plan would be part of the Coalition's policy platform for the next election that is aimed at reducing the impact of floods and boosting food security. Abbott said he would announce a taskforce of senior Coalition frontbenchers charged with preparing a dam plan within 12 months. This would include possible locations for dams, and would build on the \$500 million the Coalition promised at the last election to make water more available.

Abbott plan damned

Tony Abbott's dam proposal has been criticised as simplistic by the federal government, environmentalists and researchers. According to the *Herald Sun*, they argue dams would not necessarily have saved Queensland homes from floods and often created their own ecological disasters. The opposition leader insisted it was time dams were put back on the agenda. He said that after the 1974 Brisbane floods the Wivenhoe dam was built 'and there has been no serious floods in Brisbane or the Brisbane Valley since'.

PM doesn't give a dam about Tony's plan

Julia Gillard ridiculed **Tony Abbott's** planned dam taskforce, noting that the Coalition had campaigned against new dams in Queensland and NSW in recent years, *The Australian* reported. Gillard said that the Opposition Leader's announcement was 'against a backdrop where members of Tony Abbott's political party have consistently opposed dam developments.'

Dam straight

The Australian reported that dam building may still be on the national agenda following a report that finds that water, energy and carbon emissions need a new, federally coordinated regulation system. The report – commissioned by the Prime Minister's Science, Engineering and Innovation Council and prepared by the Chief Scientist, **Penny Sackett** – viewed energy and water finite resources and found that treating one resource independently could harm the others.

Bligh asks for further federal flood funding

Anna Bligh pressured the federal government to dramatically increase its contribution to the flood relief fund, as the state's damage bill soared above \$5 billion, *The Financial Review* reported. It looks as though the federal government will have to foot 75 per cent of the cost of rebuilding the state's critical infrastructure, which raises concerns that the Prime Minister might not be able to reach her goal of returning the federal budget to surplus by 2011.

Fire report

According to the *Financial Review*, former Australian Federal Police commissioner **Mick Keelty** will lead the review into February's devastating bush fires in the Perth hills area in which 71 homes were lost. Keelty will drive a review to examine the causes of the fires, including the lack of prescribed burning in the area.

HEALTH

States agree on federal health

The Financial Review reported that state premiers agreed to sign up to **Julia Gillard's** national healthcare reform, but only after a long row over how to oversee more than \$16.4 billion in new funding. The premiers rejected a proposed federal mechanism that would control funding from a national pool, but eventually agreed to a conditional deal that leaves them room to extract more concessions. However, less than 24 hours after signing the agreement, WA Premier **Colin Barnett** and his Victorian counterpart **Ted Baillieu** vowed to maintain full control of their hospital systems by restricting the peak funding agency at the heart of Gillard's plan.

Delivered deal

Prime Minister **Julia Gillard** has, according to *The Age*, stared down state leaders to deliver \$126.4 bn into the health system. In return, the states will provide absolute transparency about how they spend the federal money.

Will nothing be done

The government, in the face of **Australian Medical Association** opposition, will delay the \$450m launch of a landmark health reform until at least 2014. The scheme had been hailed by Labor as a means of providing co-ordinated care for diabetes patients who routinely need services from a variety of different health professionals. But the AMA has resisted the key feature that would replace fee-for-service with an annual bulk payment by the government of around \$1,000 for the patient's medical practice, *The Age* reported.

IBM ICT extension

The federal health department has extended its technology services agreement with IBM by \$109 million. The value includes a modification to the last 12 months of the existing contract. *The Australian* wrote that the contract renewal is further proof that Health and IBM are joined at the hip – no other IT company was invited to tender for the business, a procurement process dubbed direct sourcing. Health was especially concerned new vendor agreements could have an adverse impact on the Gillard government's health reforms. The department awarded IBM a four-year extension until June 30, 2015. The range of technology and communications support covers desktops, midrange computers, networks, storage, help desk, end user computing services and mainframes. IBM will also oversee a technology update that covers mainframe software, user environment and IPv6 deployment. It will deploy a virtualised thin client desktop solution across the entire department from the first half of 2011. The health department and its IT sourcing consultant studied various outsourcing options ahead of the expiry of the current agreement in June 2011.

E-health at home

NSW health has been awarded up to \$4 million in federal funding to trial the delivery of health services to the homes of elderly patients using the national

broadband network. Yet even before deployment of the NBN, Australians can expect a roll-out of online health consultations when new Medicare tele-health rebates commence in July.

During the election campaign, **Julia Gillard** committed to \$250 million over 4 years to fund the Medicare rebates – removing a huge financial barrier to widespread adoption – plus \$57 million for incentives for GP and specialist uptake, and \$35 million for training. A health department spokeswoman was quoted in *The Australian*: ‘Some surgeries are already equipped for online consultations and will be able to start delivering these services right away. As the NBN rolls out over the next eight years, surgeries around the country will be supported with the bandwidth to deliver the services of today, as well as those of tomorrow.’

Pick and choose

The government is choosing locations for its 65 GP super clinics, at a cost of more than \$600m, free of oversight by the Health Department. The secretary of the Health Department, **Jane Halton**, made it clear at a Senate estimates committee hearing that the criteria for selecting sites was a matter for the government, not her department.

Brown ribbon day

Frustration with the Government's indecision about cancer screenings prompted a leading specialist to call for a ‘brown ribbon day’. Associate Professor and Bowel Cancer Foundation chairman **Graham Newstead** says bowel cancer is more preventable, yet kills more Australians, than breast cancer. An extension of the free bowel screening program is yet to be confirmed. It is due to finish at the end of this year. So far, the Government has failed to guarantee or expand the scheme to pick up an estimated 5.4 million people at risk who are missing out. The campaign funding warms up when the Cancer Council Australia and independent MP **Tony Windsor** host a breakfast for MPs in Canberra to lobby for the screening program to be continued. Bowel cancer is the nation's second biggest cancer killer and second most common internal cancer, *The Age* reported.

Much obliged

Intellectual Property Australia has told the government that its plain packaging measures for cigarettes might not meet its intellectual property treaty obligations, *The Age* reported.

Health plan pan

An angry **Kevin Rudd** has slammed **Julia Gillard's** health package in cabinet sources told *The Age*. He criticised the revised plan, saying the federal government needs to be the sole funder of primary healthcare, and the dominant funder of hospitals.

E-service not so healthy

Victorian e-health experts warned that the new nation-wide Individual Healthcare Identifier system is too dangerous to use on its own, *The Australian* reported. The 16-digit identification system, which cost upwards of \$90 million, should only be used in conjunction with an existing Unit Record Number,

the HealthSmart Design Authority said. It found that misidentification of a patient association with an IHI, and the inability to identify a patient via an IHI in a healthcare setting were the two critical risks of using the IHI system on its own.

Disability levy proves divisive

Debate about a national disability insurance scheme has heated up after West Australian Premier **Colin Barnett** refused to support a levy to fund it, *The Financial Review* reported. The Productivity Commission is expected to recommend the federal government consider a universal disability insurance program as part of a major overhaul of the welfare system. It would most likely rely upon a levy to fill a shortfall in disability funding worth approximately \$5 billion.

Good care can't be rushed

The federal government's plan to have all emergency patients treated within four hours sounds good, but doctors say the target will lead to hasty decisions and endanger lives. An article in *The Age* reported that the target, which was due for implementation in February but has now been pushed back, is not necessarily going to mean better care for patients.

BANKS

Potting the banks

The chief executives of the major banks are being forced to defend their earnings before a Senate inquiry after ANZ Banking Group announced a record \$4.5b full-year profit. The bank's chief executive **Mike Smith** questioned shadow treasurer **Joe Hockey's** economic credentials and warned that his views were dangerous to the economy, the *Financial Review* reported. **Wayne Swan** branded Commonwealth Bank of Australia's decision in December to lift mortgage rates, by close to double the Reserve Bank's increase, ‘a cynical cash grab’ and vowed to introduce reforms to boost competition between lenders. The *Herald Sun* reported that the government is looking at banning exit fees – which can cost more than \$1,000 – to give consumers more flexibility in managing their loans.

Next

Treasurer Wayne Swan is preparing a new wave of banking reforms, pledging to bring down interest rates with mortgage exit fee bans to be considered by Cabinet soon. *The Australian* reported that Westpac chief executive Gail Kelly has called for calm in the escalating battle between Australia's major banks and the government over interest rates and the threat of greater regulation of the industry.

She warned that any moves to increase competition in the banking market could have unintended consequences, potentially leading to banks and credit unions taking bigger and possibly dangerous risks as they chase market share. The *Herald Sun* reported that Swan said he wanted non-bank lenders to take on the big four as the fifth pillar in the finance system. Swan said building societies and credit unions offered mortgage rates up to 1% lower

than the major banks, which had behaved arrogantly in raising rates beyond the official RBA rate rises.

A bank by any other name

(Small) credit unions have been lobbying for changes to the protection of the word ‘bank’. Credit societies can use ‘banking’ to describe a business – but only institutions with \$50 million in special capital may use ‘bank’ or ‘banker’ in their business names. The Reserve Bank in 1996 said this high buffer was ‘one of the simplest and most effective means of discouraging unsuitable shareholders from attempting to gain banking authority’. But **Louise Petschler**, chief executive of the credit unions and building societies umbrella group Abacus, said ‘banking’ should become part of the regulatory description. Australian Bankers Association chief executive Steven Munchenburg said his organization did not have strong views on the subject.

Working for the banks

The Australian reported that **Julia Gillard** won significant concessions for Australian banks at the G20 summit as all four major banks pushed their mortgage rates beyond the Reserve Bank's official movement. Global leaders at the G20 summit in Seoul ticked new stricter global banking limits, but the Prime Minister and **Wayne Swan** successfully argued against uniform rules and secured special treatment for Australian banks.

The rules will be enforced: you can bank on it

The Financial Review reported that **John Laker**, chairman of the Australian Prudential Regulation Authority, will take a tough stance on applying new global banking rules, despite protests from banks that the rules could increase pressure on mortgage rates.

Nearby Norris

Prime Minister **Julia Gillard** has declared she is uncomfortable with high levels of executive pay, as the country's top paid executive, Commonwealth Bank of Australia boss **Ralph Norris**, defended his \$16m remuneration, the *Financial Review* reported.

RBA First

The *Financial Review* reported that the Reserve Bank of Australia has appointed its first female assistant governor, who will oversee the area of currency. **Michelle Bullock**, who will be one of six assistant governors, will be responsible for the distribution, quality and security of Australian banknotes.

No place for politics on RBA board

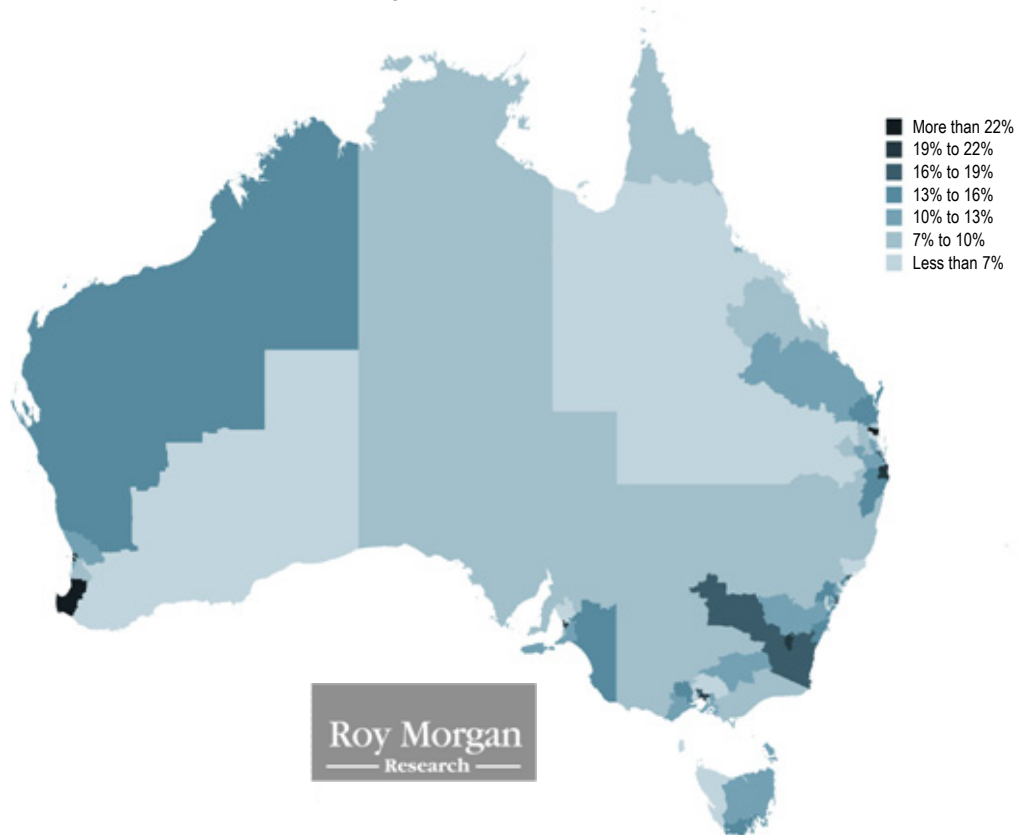
New RBA guidelines obtained by *The Financial Review* suggested that the Reserve Bank should avoid appointing trade unionists or major political donors to its board in a bid to remove possible conflicts of interest. This has been aided by the establishment of a register of candidates for appointment to the nine-member board, a move made after the election of the Rudd government.

Reform

The *Financial Review* reported Swan outlined measures to allow banks to tap into the \$1.2 trillion

MARGINAL ELECTORATE LINK TO GLOBAL WARMING AND CLIMATE CHANGE

Who believes Global Warming and Climate Change is an important issue?



| | | | | | | | | | |
|---------------------|-------|-----------------|-------|---------------------|-------|-----------------|-------|-----------------|------|
| Melbourne VIC | 38.7% | Newcastle NSW | 17.8% | Corio VIC | 13.2% | Chifley NSW | 10.5% | Mallee VIC | 7.8% |
| Sydney NSW | 32.9% | Eden-Monaro NSW | 17.6% | Gorton VIC | 12.9% | McPherson QLD | 10.3% | Grey SA | 7.7% |
| Grayndler NSW | 29.7% | Bradfield NSW | 17.4% | Flinders VIC | 12.8% | Indi VIC | 10.3% | Capricornia QLD | 7.6% |
| Deakin VIC | 24.7% | Chisholm VIC | 17.0% | Shortland NSW | 12.8% | Moreton QLD | 10.0% | McMillan VIC | 7.5% |
| Melbourne Ports VIC | 24.3% | Goldstein VIC | 16.5% | Hasluck WA | 12.6% | Brand WA | 10.0% | Groom QLD | 7.5% |
| Forrest WA | 23.9% | Sturt SA | 16.4% | Ryan QLD | 12.5% | Leichhardt QLD | 9.9% | Fadden QLD | 7.4% |
| Kooyong VIC | 23.9% | Stirling WA | 16.2% | Bass TAS | 12.0% | Wannon VIC | 9.9% | Banks NSW | 7.3% |
| Fremantle WA | 23.3% | Warringah NSW | 16.2% | Corangamite VIC | 11.9% | New England NSW | 9.8% | Calare NSW | 7.2% |
| Menzies VIC | 23.3% | Maribyrnong VIC | 16.0% | Casey VIC | 11.9% | Lilley QLD | 9.7% | Cowper NSW | 7.2% |
| Swan WA | 23.2% | Rankin QLD | 15.9% | Werriwa NSW | 11.9% | Bendigo VIC | 9.7% | Lindsay NSW | 6.9% |
| Fisher QLD | 22.8% | Macquarie NSW | 15.9% | McMahon NSW | 11.9% | Isaacs VIC | 9.7% | Aston VIC | 6.9% |
| Wentworth NSW | 22.6% | Benelong NSW | 15.7% | Dickson QLD | 11.8% | Hughes NSW | 9.2% | Braddon TAS | 6.8% |
| Gellibrand VIC | 22.3% | Blaxland NSW | 15.6% | Robertson NSW | 11.6% | Lyne NSW | 9.1% | McEwen VIC | 6.8% |
| Barton NSW | 21.7% | Franklin TAS | 15.5% | Lyons TAS | 11.5% | Blair QLD | 8.9% | Wakefield SA | 6.8% |
| Moncrieff QLD | 21.7% | Reid NSW | 15.1% | Hinkler QLD | 11.5% | Cook NSW | 8.9% | Paterson NSW | 6.5% |
| Adelaide SA | 21.1% | Denison TAS | 15.1% | Throsby NSW | 11.5% | Watson NSW | 8.8% | Bonner QLD | 6.2% |
| Port Adelaide SA | 20.8% | Brisbane QLD | 15.1% | Mayo SA | 11.4% | Gippsland VIC | 8.8% | O'Connor WA | 6.1% |
| Richmond NSW | 20.8% | Berowra NSW | 14.7% | Greenway NSW | 11.3% | Tangney WA | 8.8% | Mitchell NSW | 5.8% |
| Batman VIC | 20.3% | Ballarat VIC | 14.5% | Boothby SA | 11.3% | Kingston SA | 8.7% | Bruce VIC | 5.6% |
| Hotham VIC | 19.9% | Fowler NSW | 14.5% | Moore WA | 11.3% | Parkes NSW | 8.7% | Holt VIC | 5.6% |
| Wills VIC | 19.8% | Gilmore NSW | 14.1% | Kingsford Smith NSW | 11.2% | Parramatta NSW | 8.6% | Maranoa QLD | 5.1% |
| Curtin WA | 19.6% | Cunningham NSW | 14.1% | Cowan WA | 11.1% | Fairfax QLD | 8.5% | Dobell NSW | 5.0% |
| Makin SA | 19.3% | Durack WA | 14.0% | Hume NSW | 10.9% | Solomon NT | 8.4% | Scullin VIC | 4.9% |
| Canberra ACT | 19.3% | Charlton NSW | 13.9% | Oxley QLD | 10.8% | Hindmarsh SA | 8.4% | Lalor VIC | 4.8% |
| North Sydney NSW | 19.1% | Barker SA | 13.7% | Herbert QLD | 10.8% | Murray VIC | 8.0% | Longman QLD | 4.3% |
| Fraser ACT | 19.0% | Mackellar NSW | 13.7% | Dunkley VIC | 10.8% | Canning WA | 7.9% | Kennedy QLD | 4.1% |
| Perth WA | 18.8% | Page NSW | 13.6% | La Trobe VIC | 10.6% | Petrie QLD | 7.9% | Griffith QLD | 3.9% |
| Riverina NSW | 18.6% | Wide Bay QLD | 13.5% | Flynn QLD | 10.6% | Farrer NSW | 7.9% | Bowman QLD | 3.9% |
| Calwell VIC | 18.0% | Higgins VIC | 13.4% | Pearce WA | 10.5% | Lingiari NT | 7.9% | Macarthur NSW | 3.2% |
| Forde QLD | 17.9% | Jagajaga VIC | 13.3% | Wright QLD | 10.5% | Hunter NSW | 7.8% | Dawson QLD | 3.2% |

Marginal ALP Federal Electorate Seats

Green Held Federal Electorate Seat

Independent Held Federal Electorate Seats

Marginal Seats based on results of August 2010 Federal Election

Marginal LNP Federal Electorate Seats

WA NATS Held Federal Electorate Seat

Source: Roy Morgan Research January 2008 – December 2010

Australians 14+ n = 16,805

Finding No. 4634
Available on Website: www.roymorgan.com
On February 24, 2011
See [Roy Morgan Online Store](#)

Majority prefer Gillard as Prime Minister (51%, up 2%) to Abbott 35% (down 1%)

Abbott's disapproval soars to 56% (up 10%)

Prime Minister Julia Gillard is still clearly preferred as Prime Minister (51%, up 2% since February 1-3, 2011) over Opposition Leader Tony Abbott (35%, down 1%) according to a special telephone Morgan Poll conducted over the last three nights (February 21-23, 2011). However, despite Gillard's improved lead today's Morgan Poll shows the L-NP (51.5%) now have an election-winning lead over the ALP (48.5%) on a Two-Party preferred basis.

More electors approve of the way Julia Gillard is handling her job as Prime Minister (46%, unchanged since February 1-3, 2011) than approve of the way Opposition Leader Tony Abbott is handling his job (36%, down 3%). More women clearly approve of Gillard's handling of the job (47%, down 1%), than disapprove (38%, unchanged), however opinion is more evenly divided among men – slightly more men approve 45% (up 2%) of Gillard's handling of the job than disapprove 42% (down 4%). A majority of both men (54%, up 7%) and women (59%, up 14%) disapprove of Tony Abbott's handling of the job as Opposition Leader while clearly more men (41%, up 1%) than women (31%, down 8%) approve of Abbott's handling of the job.

Analysis by State – Better Prime Minister and Approve/Disapprove

Analysis by State reveals Gillard is preferred as 'Better Prime Minister' by a larger number of electors in all States. For the first time in the key State of Queensland, which swung heavily against the Gillard Government at the recent Federal election, more electors prefer Gillard (43%) than Abbott (36%). However, Queensland is the only State in which more electors disapprove (46%) than approve (41%) of Julia Gillard's handling of the job as Prime Minister.

Clearly more electors approve than disapprove of Gillard's handling of the job in South Australia: Approve (54%) cf. disapprove (32%), Tasmania: Approve (42%) cf. disapprove (26%), WA: Approve (51%) cf. disapprove (41%), Victoria: Approve (47%) cf. disapprove (40%) and New South Wales: Approve (46%) cf. disapprove (41%)

Meanwhile, in all States more electors **disapprove** rather than approve of Tony Abbott's handling of the job as Opposition Leader, led by Tasmania: Disapprove (77%) cf. approve (16%), WA: Disapprove (69%) cf. approve (24%), SA: Disapprove (60%) cf. approve (30%), Victoria: Disapprove (57%) cf. approve (36%), New South Wales: Disapprove (54%) cf. approve (39%) and Queensland: Disapprove (52%) cf. approve (41%).

Gary Morgan says:

"This special telephone Morgan Poll conducted over the last three nights, February 21-23, 2011, reveals that Prime Minister Julia Gillard (51%, up 2%) has increased her lead over Opposition Leader Tony Abbott (35%, down 1%) as the 'Better Prime Minister.'

"Most strikingly Abbott's disapproval rating for his handling of the job as Opposition Leader has shot up to 56% (up 10%) to now be far higher than his approval (36%, down 3%). The increase comes after the Opposition's steadfast refusal to support the Gillard Government's flood levy and also after an 'awkward' silence in a TV interview with Abbott gained wide media coverage in recent weeks.

"The change in perceptions of Abbott was most evident in women's ratings of Abbott with a record high 59% (up 14%) of women now disapproving of Abbott's handling of his job compared to just 31% (down 8%) that approve of Abbott's handling of his job.

"In contrast, more electors approve (46%, unchanged) of Gillard's handling of the job as Prime Minister than disapprove (40%, down 2%) and for the first time since becoming Prime Minister in June last year more electors in Queensland prefer Gillard (43%) as Prime Minister over Abbott (39%)."

This special telephone Morgan Poll was conducted over the last three nights of February 21-23, 2011, with an Australia-wide cross section of 519 electors.

For further information:

Gary Morgan: Office +61 3 9224 5213 Mobile +61 411 129 094
Michele Levine: Office +61 3 9224 5215 Mobile +61 411 129 093

Julia Gillard vs. Tony Abbott – By Gender

Better Prime Minister: Gillard vs. Abbott

Electors were asked: “Thinking of Ms. Gillard and Mr. Abbott. In your opinion, who would make the better Prime Minister – Ms. Gillard or Mr. Abbott?”

| | Electors 18+ | | | Men | | | Women | | |
|---------------------|-----------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|
| | Dec 8-12, | Feb 1-3, | Feb 21-23, | Dec 8-12, | Feb 1-3, | Feb 21-23, | Dec 8-12, | Feb 1-3, | Feb 21-23, |
| | <u>2010</u> | <u>2011</u> | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2011</u> |
| | % | % | % | % | % | % | % | % | % |
| Gillard | 46 | 49 | 51 | 46 | 44 | 47 | 47 | 53 | 56 |
| Abbott | 39 | 36 | 35 | 41 | 41 | 42 | 38 | 31 | 28 |
| Gillard lead | <u>7</u> | <u>13</u> | <u>16</u> | <u>5</u> | <u>3</u> | <u>5</u> | <u>9</u> | <u>22</u> | <u>28</u> |
| Other / Neither | 15 | 15 | 14 | 13 | 15 | 11 | 15 | 16 | 16 |
| TOTAL | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

Approval of Leaders – Julia Gillard vs. Tony Abbott

Prime Minister: Julia Gillard

Electors were asked: “Do you APPROVE or DISAPPROVE of the way Ms. Gillard is handling her job as Prime Minister?”

Analysis by Sex (Approve/ Disapprove – Julia Gillard)

| | Electors 18+ | | | Men | | | Women | | |
|-----------------------------|------------------|-----------------|-----------------|-----------------|-------------------|-----------------|------------------|------------------|-----------------|
| | Dec 8-12, | Feb 1-3, | Feb 21-23, | Dec 8-12, | Feb 1-3, | Feb 21-23, | Dec 8-12, | Feb 1-3, | Feb 21-23, |
| | <u>2010</u> | <u>2011</u> | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2011</u> |
| | % | % | % | % | % | % | % | % | % |
| Approve | 49 | 46 | 46 | 46 | 43 | 45 | 52 | 48 | 47 |
| Disapprove | 38 | 42 | 40 | 43 | 46 | 42 | 32 | 38 | 38 |
| Approve – Disapprove | <u>11</u> | <u>4</u> | <u>6</u> | <u>3</u> | <u>(3)</u> | <u>3</u> | <u>20</u> | <u>10</u> | <u>9</u> |
| Can't say | 13 | 12 | 14 | 11 | 11 | 13 | 16 | 14 | 15 |
| TOTAL | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

Opposition Leader: Tony Abbott

Electors were asked: “Do you APPROVE or DISAPPROVE of the way Mr. Abbott is handling his job as Leader of the Opposition?”

Analysis by Sex (Approve/ Disapprove – Tony Abbott)

| | Electors 18+ | | | Men | | | Women | | |
|-----------------------------|------------------|-------------------|--------------------|------------------|-------------------|--------------------|------------------|-------------------|--------------------|
| | Dec 8-12, | Feb 1-3, | Feb 21-23, | Dec 8-12, | Feb 1-3, | Feb 21-23, | Dec 8-12, | Feb 1-3, | Feb 21-23, |
| | <u>2010</u> | <u>2011</u> | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2011</u> |
| | % | % | % | % | % | % | % | % | % |
| Approve | 50 | 39 | 36 | 51 | 40 | 41 | 48 | 39 | 31 |
| Disapprove | 39 | 46 | 56 | 40 | 47 | 54 | 38 | 45 | 59 |
| Approve – Disapprove | <u>11</u> | <u>(7)</u> | <u>(20)</u> | <u>11</u> | <u>(7)</u> | <u>(13)</u> | <u>10</u> | <u>(6)</u> | <u>(28)</u> |
| Can't say | 11 | 15 | 8 | 9 | 13 | 5 | 14 | 16 | 10 |
| TOTAL | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

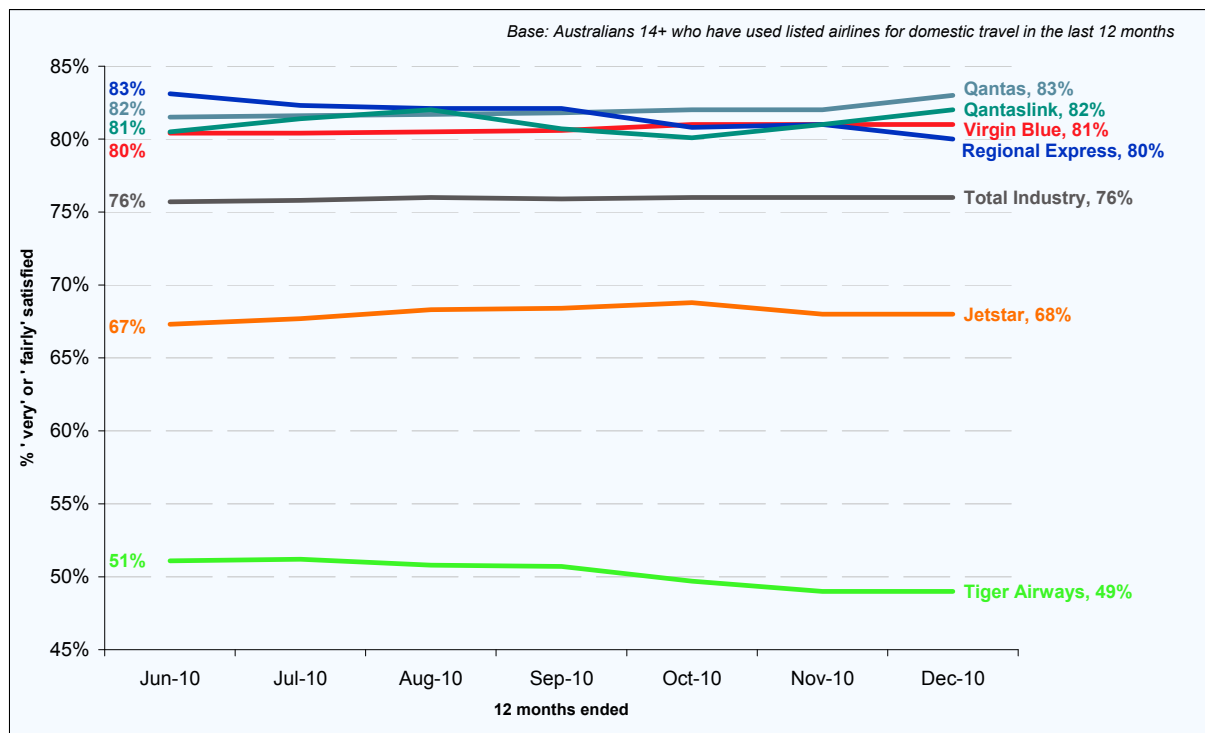
Article No. 1287
Available on Website: www.roymorgan.com
On March 1, 2011
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[Roy Morgan Airline Satisfaction Report](#)

Qantas increases lead over Virgin Blue for domestic customer satisfaction

Customers of Qantas' domestic services are the most satisfied for the 12 months to December 2010, with 83% either "fairly" or "very" satisfied.

Qantaslink, Virgin Blue and REX are close behind, with Qantas' subsidiary Qantaslink coming in second with 82% satisfaction. Despite the IT glitches of late 2010, Virgin Blue holds steady at 81%, with REX dropping slightly to 80%. Jetstar remains below the industry average of 76%, with 68% satisfaction for its domestic services; however this is well above that of Tiger Airways which continues to rank the lowest with only 49% satisfaction for the period.

Satisfaction with Domestic Airlines used in last 12 months



Source: Roy Morgan Single Source, July 2009 – December 2010. Total using domestic airline in last 12 months n=7,618. N.B. 'Total Industry' average also includes other domestic airlines not shown. "% satisfied" is the proportion of all customers who are "Very" or "Fairly" satisfied with that Airline (on a five point scale).

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

"Qantas now has a lead over Virgin Blue in terms of domestic customer satisfaction levels. Both leisure and business customers are giving Qantas' domestic service a higher satisfaction rating.

"Despite its high rating amongst the domestic business market Qantas has nevertheless lost market share to Virgin Blue, which is focussing strongly on attracting the business customer."

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

superannuation sector to raise funds, in a banking competition package driven by the need to reduce reliance on offshore funding. The banking package also singled out banks for tough new laws against price signalling. The industry executive said the package – announced on the eve of the start of the Senate inquiry into banking competition – contained little support the promised to create a fifth pillar in Australian banking from credit unions and building societies.

What about us

ACTU president **Ged Kearney** has slammed the selection process for the RBA board, saying that the present board 'is comprised of a narrow group of people who are unrepresentative of the broader national interest and lacks community engagement,' *The Financial Review* reported. Kearney said that the board, which is largely comprised of members of the corporate world, is missing 'voices representative of the mass of the community'. The Australia **Institute** senior research fellow **David Richardson** told *The Financial Review* that many members of the present board could be seen to be in breach of the selection guidelines as they came from companies that were members of the Business Council of Australia.

Swiss banks blown

The federal government is in the process of renegotiating its tax treaty with Switzerland. *The Financial Review* pointed out that a new agreement could lift the veil of secrecy protecting Australians with Swiss bank accounts.

Islamic banking

Liberal Senator **Cory Bernardi** is looking for party room support to maintain barriers on sharia-compliant financial products and stop any moves to expand Islamic banking in Australia. Bernardi sent a background brief to his Liberal Party colleagues and said he had already received a great deal of positive feedback, *The Australian* reported.

BROADBAND & ICT

Business plan out in open, a little

On Monday, 20 December, the government released the full business plan for the \$36 billion national broadband network. A brief version of the plan was released in November to help secure votes from independent senators for new telecommunications legislation, though it underwhelmed both the investment community and the federal opposition. The new plan raises concerns about the necessary speed of the build, and the availability of skilled labour according to NBN Co.'s head of cooperate relations, **Kevin Brown**.

NBN Co. bypass

The Financial Review reports that one of Australia's newest telecommunications players is calling on the Federal government to cut out the middleman and allow it to buy services directly from satellite operators instead of through NBN Co, the company set up to build and operate the national broadband network. Indigo Telecom, which has been providing

mobile services to remote and regional Australia since July, will plead its case directly to the government in the new year.

The debate continues

The Largest project in the nations history is being launched without a proper cost-benefit analysis. The Financial review quote from December 21, the editor's opinion 'A network to nowhere'.

Leighton out to flex its telco arm

The Age reported Leighton is cementing its position as a wholesale competitor to Telstra, with subsidiary Nextgen signing commercial contracts in mid November last year to sell services on a 6,000km government-funded fibre-optic highway.

Doubts linger on NBN

Australia's powerful business lobby says a cost benefit analysis of the national broadband network is still, needed despite the release of key details about the giant project. The business Council of Australia said 'only a rigorous and transparent cost-benefit analysis' could determine whether the investment was 'in the national interest'.

NBN business case row

According to the *Financial Review*, Prime Minister **Julia Gillard** has dismissed calls for a more detailed analysis of the national broadband network, declaring that the business plan of the project shows that taxpayers \$27.5 billion investment will be 'repaid with interest'. Labor's defence of its most controversial and expensive project came despite an admission by NBN Co. chief Mike Quigley that the seven per cent internal rate of return highlighted in the study was not a 'commercial return'.

ACCC broadband broadside

The competition watchdog has forced the company building the national broadband network to redesign the network, saying in its original form it would have destroyed competition between optical-fibre providers, with just 14 connection points into the network. The business plan released on the 20th of December confirms that the NBN Co. will need 27.5 billion of government funds to build the network over 9.5 years, and will enter the debt markets in 2015 to raise a further 13.4 billion. It expects a certain per cent rate of return over 30 years and expects to be entering a net income period by 2021.

Price shock looms for some on NBN

Some households could be forced to pay more for a basic internet service when they are compulsorily switched over to the \$36 billion national broadband network, according to the business plan released by NBN Co. The long-awaited plan predicted that households will have to pay between \$53 and \$58 a month for the most basic entry-level offering – compared with today's 'naked ADSL' plans that start at about \$30.

Daring to dream large

National Affairs correspondent for *The Age*, **Catherine Murphey** wrote that the broadband network will be a long, hard sell, and it's telling Labor is taking it on.

'The NBN project, at its heart, dares the government to go for it, and there is something to be said for going for it.'

Democracy deadline

According to the *Financial Review*, Telstra has set a deadline of July 1 for a shareholder vote on whether or not to hand it's fixed line phone monopoly to NBN Co. The vote would end two years of shareholder uncertainty over the \$11 bn deal.

NBN at risk of attack

The Australian reported that tougher security measures were needed to prevent cyber-attacks on the National Broadband Network. A report by the think-tank Kokoda Foundation highlighted the risk, saying that the \$36 billion network needed to be accompanied by tougher regulations to protect it against threats ranging from foreign cyber-spies to local criminals.

Asbestos threatens health of NBN rollout

The rollout of the \$36 bn national broadband network will be hindered by asbestos in existing pipes, ducts and pits, but the federal government insists that the associated costs have already been taken into account.

'ii'm ready for change' says ISP boss

iiNet boss **Michael Malone** said that the national broadband network will reshape the telecommunications industry during the next decade and convince some household names to enter the market. 'People throw the word 'transformational' around a lot, but I really do think the NBN is going to change the face of telecommunications over the next 10 years,' Malone told *The Financial Review*. After purchasing Netspace and the retail customers of AAPT in 2010, Perth-based iiNet is now the country's third-biggest ISP, behind Telstra and Optus.

Abbott questions integrity of NBN boss, gets impassioned response

The Financial Review reported that **Mike Quigley**, chief executive of NBN Co, hit back at **Tony Abbott's** suggestion that his integrity is tarnished by his previous involvement with Alcatel-Lucent, a US company which has recently been fined \$137 million for bribes paid by unnamed directors. Abbott questioned Quigley's track-record, asking 'can we be confident that the national broadband network is being administered better than Alcatel was?' But Quigley, who was never investigated in relation to the bribes, described Abbott's attack as 'just simply misinformed.'

Wireless could undermine NBN plan

The Australian reported an admission from Labor advisors that the popularity of wireless internet could seriously threaten the economics of the National Broadband Network. With Telstra about to unveil a huge upgrade to its mobile network which will mean download speeds comparable to the NBN, a review has found that competition from alternative technologies is a key risk to NBN Co's attempts to sign up homes quickly. Telstra will roll out the Long-Term Evolution standard (LTE), which is capable of

download speeds of up to 150 megabits per second at peak performance, although it is significantly slower as more people use the network. The vendor to supply the equipment for the wireless network is due to be announced shortly, with Nokia, Siemens and Ericsson rumoured to be in the running. The LTE network will cover large swaths of the population, including 4 per cent of those outside the NBN fibre optic reach. That leaves 3 per cent of the population to get their internet through next generation satellite services.

NBN – have we created a monster?

International Law Firm Allen & Overy told *The Financial Review* that Australia's national broadband network could become so powerful that competition laws will need to be tightened to crimp its growth.

Federal spending up by lucky 13per cent for IT sector

The Financial Review reported that Canberra's spending on information and communication technology rose 13 per cent to \$5.3 billion last year, fresh analysis by the government advisory firm Intermedium shows. Despite this, the number of contracts signed in that time rose only a modest 3 per cent to 17,300. Both of these figures are expected to rise in coming weeks due to delays in federal agencies publishing contract details to Austender, the government's procurement information system. The big winners in the sector were Hewlett-Packard (\$853m), Lockheed Martin (\$283m), and Elbit Systems (\$349m), with IBM coming off worst after a contract devaluation of over \$350m (\$546m down to \$190m).

No clouds over new technology, report says

The *Cloud Computing Strategic Direction Paper*, a report released by the Department of Finance, suggested that federal agencies adopt internet-based cloud computing services. These services allow for technology resources to be leased via the internet rather than bought outright. The report's only proviso is that the technologies leased must be fit for the purpose, provide value for money and meet data security requirements. However, the report also found that other countries have been far more proactive than Australia in adopting this technology.

Number representing chaos

Australia's telephone numbering system could be thrown into chaos as more calls are made on mobile networks and more people use internet-based telephone services that do not require geographic information to connect a call. The technology changes place more stress on emergency services, which receive geographic information from fixed line calls to 000, and businesses that send fixed calls to 13 numbers to the nearest shopfront. The regulator responsible for the numbering plan, the Australian Communications and Media Authority, is expected to start consultations in November to avoid problems and amend the plan, *The Age* reported.

Hello?

The Australian reported that telecommunication customer complaints increased by 130 per cent last year. The Australian Communications and Media Authority is in the midst of an investigation into

customer service standards, and its chairman **Chris Chapman** has said he is surprised that the telcos did not come up with more constructive solutions to issues they admit are major problems in their responses to the consultation paper. Telco companies have given a lot of lip service to fixing customer service, but they're still getting it wrong. The reason why comes down to three things: inherent business complexity, limited competition and a lack of executive focus.

Safe in space

Australia will be able to monitor natural disasters, climate change and weather patterns more effectively under a new agreement with the United States on civil space collaboration. The *Joint Statement on Bilateral Cooperation in the Civil Use of GPS and Civil Space Activities* reinforces Australia's long-term partnership with the US in support of our shared interests in civil space systems. 'Civil space infrastructure is critical to all Australians,' said **Kim Carr**, Minister for Innovation, Industry, Science and Research.

IMMIGRATION

Risking the lives of children

The *Herald Sun* reported that the number of children being taken on dangerous sea crossings to Australia has exploded since the government declared two months ago it would free women and children from detention. In October last year 141 children arrived by boat, up from 58 in September and Department of Immigration figures show 124 arrived by sea in November.

Dozens perish in boat disaster

The Age put the death toll from the Christmas Island boat tragedy on the night of Wednesday December 26, amid questions over how a boat carrying up to 70 asylum seekers got so far, and so much trouble, without being intercepted or assisted. It was reported that Prime Minister Julia Gillard cut short her holidays and returned to work to deal with the disaster.

Bolt's Boat opinion

Anrew Bolt wrote his opinion on the asylum boat tragedy in the *Herald Sun* on the December 17 stating that: 'The Christmas island deaths were avoidable. The Gillard government's soft policies are responsible the fact that refugees are still risking their lives.'

Behind the scenes

Secret US embassy cables have sharply criticised the handling of asylum seekers by former Prime Minister Kevin Road and accused labour and the coalition of playing partisan politics with the issue.

Backlog causing asylum seekers to take the boats

Tom Allard, Indonesia correspondent for *The Age* writes from Jakarta that Australia's promised resettlement of 500 refugees by the end of 2010, who are stuck in Indonesia, has fallen woefully short. Asylum seekers he has spoken to say the backlog of applications is encouraging people to make the perilous journey by boat instead.

Abbott to consider more refugees

Opposition leader **Tony Abbott** said he would consider a modest expansion of Australia's annual intake of refugees, but again rejected claims that he once offered to double the figure in exchange for **Andrew Wilkie's** support in forming government. 'We could look at a modest expansion of our refugee intake... move it up to 15,000 provided people are coming to the front door.' In 2009-2010 a total of 13,770 refugee visas were granted.

Much-needed migrants kept waiting

An Immigration Department processing a backlog of up to 28 months is keeping more than 140,000 skilled migrants in limbo, despite warnings from business leaders of a looming skills shortage and wage breakout driven by a resurgent economy, *The Australian* reported.

Tighter PR laws create dead-end for international students

According to *The Australian*, around 150,000 international students seeking permanent residency in Australia have had the door all but slammed in their face by abrupt changes to immigration laws. The changes, aimed at better linking immigration to labour demand, give priority to employer-sponsored applicants, but also mean that the number of occupations in demand has been more than halved. Information obtained by *The Australian* from the Department of Immigration warned that the students were aggrieved by the changes and had begun to mobilise and plan protests. **Gautam Gupta**, founder of the Federation of Indian Students of Australia, said the more serious danger was not protests but the damage that would be done to Australia's reputation as students returned home with tales of being ripped off by having the rules changed on them.

Deluge of cases expected as refugees get their day in court

The Australian reported that the Gillard government was expecting a wave of asylum seeker claims to swamp the legal system in the wake of a High Court ruling that raises serious questions about the value of offshore processing. Responding to the ruling, Immigration Minister **Chris Bowen** announced the government would appoint two new federal magistrates specifically to deal with the expected deluge. The changes to the review process will give much greater appeal options to asylum seekers, but Bowen said the government was already considering laws to limit the refugees' access to the courts. One option would be to eliminate the jurisdiction of the Federal Court, something which could be done with an act of parliament.

More migration a must for 'Big Australia'

According to the Department of Immigration, a net migration intake of 180,000 a year is needed to offset the impact of retiring baby boomers and keep Australia's population at a consistent level, *The Financial Review* reported. Lower immigration levels would have a negative impact on the federal budget and could reduce living standards and economic growth, the Department said.

Funeral costs have Libs baffled

Stories in both *The Age* and *The Herald Sun* suggested senior Liberal party members were unable to decide who should pay flight fees for relatives of victims of the Christmas Island tragedy. Shadow Immigration minister **Scott Morrison** at first made the news by saying that the government should not pay for the funeral costs. Shadow Treasurer Joe Hockey broke party ranks in his support of the government's decision to pay for the flights, saying 'no matter what your skin colour or the nature of your faith, if your child has died or a father has died, you want to be there for the ceremony to say goodbye.' Eventually, everybody agreed that the government should pay. The 9 year-old boy at the centre of this 'debate' was sent back to Christmas Island for a few days but is now living with family in Sydney.

COALITION DOINGS

Sudden head winds test Abbott.

Baillieu's victory in Victoria is a fillip for the so called small 'l' liberal wing of the Liberal party, writes *The Age* Federal politics reporter **John Gordon**. The big question for **Mr Abbott** is why his party's federal vote has been going backwards in Victoria. To reverse this trend the article contends, could require a very different style of Liberal leadership, one more policy driven, more socially progressive, less conservative, more aligned with traditional liberal values espoused by party founder **Robert Menzies**.

RESOURCES

Stay or go

The Australian reported that mining giants **BG Group** and **Santos** were examining 300 conditions placed on them by the federal government to decide whether their \$30b coal seam gas projects in Queensland will go ahead.

Precious water

The *Financial Times* reported that The Minerals Council of Australia has warned mining is being overlooked in the planning for water sharing, as the National Water Initiative is focussed on rescuing the ailing Murray-Darling Basin. National Farmers Federation chief executive **Ben Fargher** said farmers made no apology for being centrally engaged in the debate because 'water is our largest asset'. But the MCA said water should flow into industries that put it to the most profitable uses.

Miners revisit tax campaign

Small miners are threatening to relaunch an advertising campaign over state royalties ahead of the release of a key report on the planned 30 per cent tax on iron ore and coal profits. Australian Mining and Exploration Company's chief executive **Simon Bennison** said it would restart its campaign if there is no credit for future state royalties.

Chinese labor imports

The Australian reported that hundreds of Chinese contract workers will be brought to Queensland by mining boss **Clive Palmer**, underlining Australia's inability to provide enough skilled labour to exploit the growing resources boom. Mr Palmer revealed that up to 10 per cent of the construction workforce for his planned \$8 billion coal development in the Galilee Basin of the central west would come from China. This fly-in contingent would number up to 600, many of them engineers.

States fight mine tax

According to the *Herald Sun*, **Julia Gillard's** 'easy' election promise, the mining tax, is now a debacle pitting her against the states. The mining tax Policy Transition Group, formed in July to consult with the mining industry on the controversial tax changes presented their keenly awaited report in late December. The committee led by former BHP chairman **Don Argus** and resources Minister **Martin Ferguson**, agreed that all future royalties miners paid to the state should be credited back to them so they are not taxed twice – once by the Federal government and again by the individual states. But the committee also argued that the mining tax should not be a 'mechanism' allowing the states to jack up 'inefficient' royalties. It urged the government to negotiate with the states to stop them from doing so. Treasurer **Wayne Swan** said any issues with the states would be worked through. 'We can't give the green light to the states to increased royalty endlessly,' he said. But the premiers of resource rich Western Australia and Queensland fiercely defended the right to raise royalties.

New Battle looming

Louise Dodson commented in the *Financial Review* that while peace seems to have at least temporarily broken out between many of the miners and the **Gillard** government, after the **Don Argus** chaired committee on the resources has recommended key concessions to the industry, the real battle lies ahead. The Minerals Council of Australia was pleased the committee accepted at least four of its proposed design features for the new minerals resource rent tax. But the battle has been delayed rather than averted. The mining industry does not support all of the committee's recommendations. The government has yet to accept its more generous approach. And the most contentious issue – the treatment of state

mining royalty increases – has been deferred until 2011 as part of a wider federal-state agenda through the Council of Australian Governments.

Phased tax will help small operators

Authors of the Argus report hope a phased approach to the minerals resource rent tax threshold will help to minimise the impact on taxpayers with smaller operations. Under the report's recommendations, companies earning less than \$50 million will continue to pay no tax. The \$50 million threshold offset aims to reduce tax liabilities when annual profit is under \$50 million. Mining companies earning between \$50 million and \$100 million will gradually pay more tax on profit between, rather than being subject to the full tax rate (22.5per cent) above \$50 million.

CPA supports mining tax design

The Policy Transition Group report into the design and implementation of the government's proposed minerals resource tax has laid important groundwork for an effective outcome, CPA Australia said in a December 21 press release. 'The PTG report is an important step, addressing as it does, a number of key issues that have proven so problematic since the government proposed a resource tax reform earlier in 2010,' said CPA Australia head of Business and Investment Policy **Paul Drum**. 'PTG's comprehensive consultation and detailed report charts a clear course by which the government can navigate the issue.'

Flood stops mines

The Australian reported that the massive Queensland coal industry – the source of more than half the world's seaborne trade in the commodity – was at a standstill due to flooding that shut mines, rail lines and ports causing at least \$2billion in lost production.

Structural unemployment

Former ANZ chief economist and former president of the Young Liberals, **Saul Eslake**, made a speech at the Menzies Research Centre forum at Parliament House in mid February about responsibly managing commodity booms. *The Financial Review* covered his contention that the government and opposition are too concerned about lowering unemployment. In his opinion, the mining boom and 5 per cent unemployment meant creating jobs was no longer priority. 'Rather, it is managing that resource boom without blowing it up in an inflationary surge in the

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way we have always done with each of the commodity cycles' he said. 'We have stuffed all of them up.'

WA stands firm against mining royalty cap

The *Financial Review* reported the resumption of hostilities over Canberra's proposed Minerals Resource Rent Tax, with West Australian treasurer **Christian Porter** saying that attempts to penalise states that lift mining royalties outside the tax would scuttle productivity-enhancing industry reforms. Mr Porter's comments come as the federal government begins the new year hoping to win the agreement of the states for its controversial tax.

Union leader scathes Rio Tinto

Prominent union leader **Paul Howes** reopened a bitter feud with Rio Tinto, declaring a major push to increase union membership across the resources sector, *The Australian* reported. Howes, the national secretary of the Australian Workers Union, delivered a blistering attack on the mining giant at the union's national conference at the Gold Coast. 'I have got a message for Rio Tinto,' he told delegates at the conference. 'You don't own this government; you don't own this country anymore. Your workforce has the right to be represented. You cannot hide behind the law.'

Rants about rats

Julia Gillard was quick to condemn senior union **Howes** and AWU chairman **Bill Ludwig** after they launched a vicious attack on Trade Minister **Craig Emerson**, labelling him a dishonourable rat. Gillard also condemned the pair's criticism of Rio-Tinto published in *The Australian* the previous day, saying that union leaders needed to be more respectful to employees and moderate their language.

Work expenses, in a way

Hundreds of thousands of current and former students will be able to claim tax deductions for their study expenses, after a landmark High Court ruling that threatens to put a multi-million-dollar hole in the budget. Melbourne primary school teacher **Simone Anstis** has been fighting the ATO through every legal jurisdiction for the past four years to claim costs for her university study as a deduction against her Youth Allowance payments. The 25-year-old will gain only about \$300 from her win in the High Court. But some tax experts estimate the court's decision could cost the government as much as \$80m a year from current students alone, *The Age* reported.

Getting a grip

The Age reported that in the next year the Tax Office plans to send out 100,000 letters, at a rate of 270 day, to small businesses whose cash takings it has previously been unable to get a handle on. It published a list of benchmarks for 15 types of businesses that have until now largely escaped its crackdown on the cash economy, *The Age* reported.

A picture

The *CPA Australia Asia-Pacific Small-Business Survey 2010*, which took in small businesses from Australia, Hong Kong, Singapore and Malaysia showed a growing emphasis on accessing finance for the purpose of business growth. CPA Australia CEO **Alex Malley** said the survey delivered a critical snapshot of the regional economic performance. The survey results support the view that the economy of this region proved more resilient in weathering the global economic downturn and is now well-placed to grasp any upswing, he said. See www.cpaaustralia.com.au/businesssurvey.

Electronic bound process

The *Financial Review* reported signs of life emerged from a stalled plan to give millions of Australian mortgagees a national electronic conveyancing system to replace archaic, paper-bound processes. The renewed push has come in the form of the recently formed **National e-Conveyancing Development Limited**. The company has secured the support of the Australian Bankers' Association to thrash out data standards and cut through red tape needed to create standardised electronic processes. The participation

of the banking lobby is crucial to the success of any attempts to automate mortgages because institutions need to agree on, and embed, uniform data standards to ensure system compatibility. The state governments of New South Wales, Victoria and Queensland have all financially backed NECDL. Westpac Banking Corporation had previously led the industry efforts to create a national utility service, however its participation faltered late last year after a wave of management changes at the bank. **NECDL** seeks a chief information officer, ewkaustralia@ewki.com.

The rich on middle incomes

The Australian reported that personal income tax reform, including lifting the tax-free threshold to \$25,000, could have been implemented for as little as \$500m a year, but the government was scared that cutbacks to middle-class welfare and cutbacks to the rich would cost too many votes. The Henry tax review costings reveal that the full package of personal tax reforms could have been adopted, even with the budget in deficit. Treasurer **Wayne Swan** has defended his decision to reject the Henry tax review's personal income-tax reforms, saying they would have benefited the rich at the cost of those on middle incomes.

Crocodile fights crocodile

According to the major papers, Australian film legend **Paul Hogan** is preparing to sue the Federal government for millions of dollars over its failed 5 year criminal investigation of his tax affairs. The *Herald Sun* quoted him referring to himself as 'the Brad Pitt' of the advertising world while defending his \$80 million claim against the government and claiming that it wasn't about the money so much as 'investigating the investigators'. Despite dropping the charges, Australian Crime Commission chief executive **John Lawler** believes that the broad ranging tax investigation that Mr Hogan became embroiled in has been a success, and that the intention was never to target high profile figures. The operation known as Project Wickenby, has so far raised almost \$1 billion in tax liabilities but has successfully collected only \$230 million, and at a cost of \$430 million, according to the *Financial Review*. Mr Lawler, however, claims that the project has made Australia unattractive to promoters of tax haven schemes and deterred people considering hiding their money in offshore accounts.

Financial fees to increase

According to the *Financial Review*, wealthy industry executives argue that the federal government's plan to force investors to sign a fresh contract with their financial adviser each year could push up advice fees as much as 30 per cent. A spokesman for assistant treasurer **Bill Shorten** rejected the claim saying that 'the opt-in policy will not necessarily require clients to pay more in fee advice up-front.'

Big success for small business

Small Business Minister **Nick Sherry** urged small businesses to use the government's support line which has already assisted 20,000 small businesses in the first year of its operation. The Small Business Support Line is staffed by 12 agents and their two

BUSINESS, ECONOMY, TAX

Definitely not a bank

Debts owing to the Australian Taxation Office rose 21 per cent in the last financial year, the ATO has revealed, while indicating it would adopt a more aggressive approach to clawing back those funds as the economy improved, the *Financial Review* reported.

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ACCC easy on exchange takeover

The Australian Competition and Consumer Commission said in *The Australian* that the proposed deal by the Singapore Stock Exchange would not substantially lessen competition, given it did not compete with the ASX for trading, clearing or settlement services.

Retailers urge action on offshore sales

Australian retail heavyweights have attacked the government's enquiry into the retail industry as further signs of inaction, saying GST and duty loopholes favouring offshore retailers are sheer 'lunacy'. Retail billionaires **Solomon Lew** and **Gerry Harvey** revealed that they are speaking with sector colleagues about mounting a campaign against the government over what they claim is an uneven playing field. Christmas reading about how to buy online has no doubt encouraged many people to try it.

Australian house price inflation leads world

A survey covering selected advanced economies ranked Australia as the clear frontrunner for rising house prices, with a gain of 9.4 per cent in the year to the end of September, adjusted for inflation. Australia's increase represented a slowdown from the 15.9 per cent recorded in the year to March 31, with successive interest rate rises and the expiry of the enhanced first home owners grant starting to bite.

More bloody paperwork

From January 1, the government will pay eligible parents \$570 a week for 18 weeks while at home with their newborns. The government will make the payments directly to parents for the first six months but will then pass the responsibility on to employers. But Australian Chamber of Commerce and Industry chief executive **Peter Anderson** said yesterday the administration of the scheme should stay with the government. 'Small and medium businesses already have to do 101 things, and here is another thing they have to do for the government,' he said.

Hikes to hurt households

Jessica Wright of *The Sunday Age*, writes that new data shows Australians are being hit with record expenses for basic services while the floods that have wiped out crops in Queensland and New South Wales are predicted to raise fruit and vegetables prices up to 50 per cent. Any hope that the strong Australian dollar would shield motorists from increases in fuel prices have been dashed – global oil prices are tipped to hit record highs this year.

Pension asset test hits home

A government working paper has canvassed the option of including the family home in the age pension means test, after finding Australian retirees were asset rich, but income poor, compared with those overseas. The paper, published in December by the

federal Families, Housing, Community Services and Indigenous Affairs Department, suggests that the current policy of exempting the family home, which allows many more retirees to claim the pension, could distort and limit the choices Australians made with their wealth.

ASIC in mind

Frank Clarke and **Graeme Dean** wrote a piece titled 'ASIC is wounded – again. Time for a rethink' for the *Financial Review*. They claimed that corporate regulation has been shown once again to be more than difficult. The successful appeal by James Hardy directors against the decision in favour of ASIC, has served increase criticism of the regulator's performance.

Paper agenda

Leading company directors have called on big business to ramp up a public campaign in the New Year against populist new laws that will necessarily increase the regulatory burden on companies. Australian Institute of Company Directors chief executive **John Colvin** said in *The Australian* that business no longer had a choice but to speak out. In the wake of Greens leader **Bob Brown's** push to toughen the government's proposed mining tax legislation and moves to give shareholders new powers to challenge executive pay and claw back bonuses, big business fears that worse is to come.

Newcrest departure

Newcrest Mining's CEO **Ian Smith** has stepped down from his position saying that 'the worst thing a CEO could do was stay too long.' During his tenure, the company's value rose dramatically from \$US4.5 bn to \$US29 bn, reflecting the markets rating of Smith. Smith is to be replaced by chief finance officer **Greg Robinson**.

Hotels change association

Major hotel groups are defecting from the **Australian Hotels Association** in what the *Financial Review* has called one of the biggest shake-ups in the sector in two decades. Accor, Mantra, Toga Hospitality, Mirvac and InterContinental have shifted membership to, or increased their backing of the Accommodation Association of Australia, claiming the AHA is too focused on pub owners and poker machine operators.

ATO pays interest!

The Australian Tax Office pays interest on refunds that take more than 30 days to process. It aims to complete 94 per cent of refunds within 14 days. After that period, the interest rate on payouts is 4.16 per cent, as of June 30 last year. In 2009, the ATO paid out \$32.5 million for delayed refunds. *The Age* reported that last year the payments rose to a record \$42 million. Apparently, tax experts blame the spike in interest payments on the January 2010 introduction of the new \$879 million computer system designed to weed out fraudulent returns.

No-frills super

The Government's response to the **Cooper Review** of industry accepts, in detail or in principle, 139 of its 172 recommendations – but rejects its proposal

that employees and employers should not have to be equally represented on super fund boards. The announcement by Minister for Superannuation, **Bill Shorten**, puts flesh on the bones of a federal election promise to allow super funds to offer a low cost, no-frills product called 'My Super' from July 2013, which will eventually replace existing default funds.

Retailers draw online in the sand

Australia's biggest retailers invested millions of dollars into an advertising campaign pressuring the government to impose GST on all internet sales, *The Australian* reported. The retailers warned that thousands of jobs would be put at risk if the tax were not implemented.

Retailers retreat after consumer backlash

It was supposed to be the start of a recovery, but for Australia's major retailers, an advertising campaign calling to impose GST on online purchases seems to have gone horribly wrong, *The Australian* reported. The coalition of 21 retailers, including Myer, Harvey Norman, David Jones and Just Jeans launched a massive advertising campaign pushing for the government to charge GST and import duty from on sales from foreign websites, which are currently tax-free for purchases under \$1000.

However, the reaction has been far from positive, with **Christopher Zinn**, campaign director for consumer advocate Choice, pointing out that 'the big chains should recognise that it's their high prices, limited range and poor customer service that increasingly encourage people to use the internet.' Online comments to *The Australian* reflected these sentiments, with the vast majority of readers condemning the retailers' campaign.

Union chief undermines retailers' campaign

The head of the retail sector union has criticised members of his own industry by dismissing claims that online retailing poses a threat to Australian jobs, and describing a recent campaign by some of the country's largest retailers as a crude attempt to force the government's hand on tax policy. *The Australian* reported that **Joe de Bruyn**, national secretary of the Shop Distributive and Allied Employees Association, said the campaign by 21 top retailers exaggerated the threat that online shopping posed to their businesses.

Aiming for perfection

Businesses might need to protect their names before the federal government's proposed national business names register is introduced, *The Financial Review* reported. The government is spending \$125 million over four years to nationalise the existing state-based registers of business names as part of a bid to cut red tape and commercial costs. These changes are part of the Council of Australian Governments' (COAG) plan to make doing business easier, a move which is estimated to reduce costs by \$1.5 billion over eight years for businesses, governments and consumers.

The Australian Business Licence Information Service, which rationalises state licences required by business, and the Australian Business Account, an online account for managing ongoing business interactions with all levels of government, are due to finalise their plans within the next six months.

However, there is a risk that some businesses will lose their trading names if not adequately prepared for the changes. Lawyer **Alexia Marinis** said; 'we would encourage businesses to register trademarks with their business names in preparation for a national register.'

Wait and see

The Australian reported that the tax summit due to be held in June remains under a cloud, as insiders question why no details have yet been forthcoming, even though four months have passed since the federal government committed to it. The Tax Institute of Australia, the Business Council of Australia and the association of small miners, AMEC, have all raised concerns about the lack of information on the summit and concern that, even if it does go ahead, it won't be far-reaching enough.

ASX cracks down on executive shares

The Australian Securities Exchange warned that it will take a hard line against more than 300 listed companies that have failed to comply with a new listing rule requiring them to implement share-trading policies for their directors and senior executives, *The Financial Review* reported.

Premiers not convinced on economic reforms

The Financial review reported that state premiers were not entirely convinced by **Julia Gillard's** plan to develop another wave of regulatory and competition reforms for business. The premiers were asked to sign up to economic reforms that could cut business costs and increase economic output in an attempt to deliver results, despite criticism of previous failures of similar plans. The communiqué released by the Council of Australian Governments said, in February, that COAG would consider the options for further reforms later in 2011, after more background work by officials.

Government's response on super a step to greater retirement savings

CPA Australia believes the Federal government's response to the recommendations of the Cooper review into Australia's superannuation system promises greater efficiency of retirement savings in certain areas but unnecessary regulation of the growing area of self managed super funds (SMSF).

CPA Australian head of business and investment policy **Paul Drum** said the response addressed a number of important issues but also contains some proposals which cause concern. 'The proposed regulation of SMSF auditors smacks of regulation for its own sake. Of SMSF auditors 95 per cent are members of one of the three professional accounting bodies and as such are already subject to a rigorous process of professional, ethical and auditing standards.'

Budget scrutiny needed

The Business Council of Australia called for the establishment of an independent commission to check the budget and scrutinise spending initiatives to help safeguard the long-term health of Commonwealth finances, *The Financial Review* reported.

INFRASTRUCTURE

It's past the post

On February 22, Infrastructure Minister **Anthony Albanese** released a draft national freight strategy that would include dedicated roads and rail lines exclusively for cargo. According to *The Australian*, the government released the draft strategy because the levels of cargo being moved are expected to double between 2007 and 2030 and bottlenecks on the ports, roads and rail lines cost the country tens of billions of dollars in export earnings during the last export boom. Australian Railway Association chief executive **Bryan Nye** said the states need to overhaul road prices to unlock funds for dedicated freight routes. Nye said in *The Australian*, bigger trucks such as B-doubles and B-triples – which the strategy encourages – were not required to pay for the extra damage they did to roads. But the Australian Truckers Association chairman **David Simon** said the bigger trucks were more efficient and safer as fewer trucks were needed.

It's past the post

Australia Post has begun closing post offices as the 200-year-old service grapples with the threat of e-mail, Facebook and other online forms of communication. Last financial year, the organization, which boasts 4,400 outlets – the largest retail network in the country – lost money on letters for the first time, as e-mail and social networks asserted their dominance over written communication. The *Sunday Herald Sun* has been given a list of 27 post offices nationally facing closure from December 31. The organization, with 34,000 employees, posted \$500 million in profits only a few years ago, but experienced a drop to \$100 million last year. And the letter volume fell by 5.5 per cent, though 100,000 new delivery addresses were added.

Road damage

Extensive damage from the Queensland floods is expected according to the *Financial Review* to trigger the introduction of load limits for the trucking industry. Such a move would push up the cost of moving goods around the state and would be seen by consumers around the country in the form of higher prices on products such as bananas.

Sydney airport traffic

The Financial Review revealed that passenger traffic through Sydney airport rose 4.7 per cent in November, according to Map Airports. China was the biggest source of international traffic, with a 32 per cent rise in passenger growth, while Korea was up 26 per cent and India 15 per cent. Visitors from the US dropped 11 per cent while passengers from the UK went down five per cent.

Bush focus

Western Australia's mid year budget showed that surging mining royalties would push the National's Royalties for Regions program fund above \$1 bn next financial year. National's leader **Brendon Grylls** has proposed spending the money by turning small towns into mini metropolises of 20,000, with city-standard services. *Financial Review* said the plan,

which is intended to relieve population pressure on Perth, has received a lukewarm response from urban developers.

TNT depot

TNT has opened its flagship Australian Depot in Welshpool, Western Australia. The \$40m facility is part of the company's \$100m infrastructure investment campaign that has been under way around the country for the past 24 months.

Developers to face tougher restrictions on waterfront properties

In an exclusive, *The Australian* reported that property developers will face new restrictions on projects near the waterfront, and port operators will be ordered to develop 30-year business plans under a federal government plan to cope with a tripling of trade through the nation's ports. **Julia Gillard** and Infrastructure Minister **Anthony Albanese** defended the plan, arguing that a national approach is crucial to lifting Australia's economic performance.

Don't wrap waterfront in red tape, developers say

Property developers have criticised the federal government's planned restrictions on waterfront development, saying that any regulatory changes would lead to unnecessary red tape and would cause delays in the decision making process, **Siobahn Ryan** wrote in *The Australian*. Master Builders Association chief **Wilhelm Harnisch** said his industry was 'very keen to ensure this doesn't become another layer of bureaucratic delays and complexity in getting approvals.'

New road development plan: better freight than never

The Australian reported that Infrastructure and Transport Minister Anthony Albanese released a draft national freight strategy aimed at avoiding capacity constraints on road and rail lines in the hope of lifting export earnings. Under the proposal, triple-trailer trucks will be allowed on more roads, dedicated freight routes will be created and cargo and passenger train lines will be separated.

DEFENCE

Combat vehicles glitch

New fighting vehicles for Australia's elite soldiers have been described as white elephants that are plagued by dodgy electronics, are too heavy to be loaded onto army cargo helicopters, and are still not in Afghanistan – despite being bought more than two years ago for nearly \$50 million. The 31 Nary patrol vehicles were bought in August 2008. Named after SAS warrant Officer **David Nary**, the Next Generation vehicle was bought for soldiers in the special operations task group in Afghanistan, as replacements for their ageing modified Land Rovers. In November 2007 British Ministry of Defence bought the same vehicles from manufacturer Supacat and had them in Afghanistan within months. It now has hundreds of operational vehicles. Australia's defence Department told *The Age*

the deployment of the first batch of Narys is 'on track' and that some will be operating in the second half of 2011 – three years after they were delivered.

Australian soldiers bitter brew

The *Herald Sun* claimed Australian soldiers serving in Afghanistan were to be forced to pay \$5 a can if they wanted to have a beer on Christmas Day. One soldier calculated defence is making a killing. 'That works out to be \$120 a carton of beer,' the soldier said. The Defence Department pointed out it provided accommodation, food and welfare services to its deployed troops 'at no cost'. Defence spokesman **Alex Carter** said on the 'very limited and approved occasions' when personnel could drink alcohol—which was usually the equivalent of two cans of beer – payment was required. After the article(s) were run, the decision was reversed and beer provided free of charge! Tales of bureaucracy!

Military called in for flood relief

The military was involved in a massive logistical operation that took place across Queensland to evacuate thousands of people and deliver emergency supplies to communities and properties isolated during the worst floods in the State recorded history.

Smith attacks Defence

Defence Minister **Stephen Smith** scolded his own department over its failure to keep its crucial landing ships seaworthy, describing the attitude of the navy as a 'can-do and make-do culture.'

Navy engineers in short supply

A drastic lack of engineers is raising grave concerns over the navy's ability to maintain and run its fleet, which is due to receive upwards of \$50 billion worth of new ships over the next 10 years, according to a report in *The Australian*. An internal review suggests that poor morale and a broken management system within the engineering unit is to blame for the shortfall in numbers.

Defending Customs

The Department of Defence, Australian Customs and Border Protection Services signed a memorandum of understanding that establishes a formal working relationship. At an official ceremony in Canberra, five documents were signed, including the MoU and four annexes canvassing the reporting of the import and export of defence cargo and the clearance of defence air crew and passengers in and out of Australia.

Ex-Digger dodges death penalty

Court documents obtained by *The Australian* revealed that a former Australian soldier has avoided the death penalty for murder in Afghanistan, and has instead been given 20 years in jail. Robert William Langdon, who worked for a US private security company, was convicted of murdering an Afghan colleague during a violent dispute in 2009.

No closure for War Memorial

The federal government dismissed concerns that the Australian War Memorial might have to close one day a week because of budget problems.

E-health

The Australian reported that Defence has awarded a \$6.1 million, three-year e-health project management contract to consultant and IT services provider Oakton. The move is aimed to jump-start the departments over due electronic health record system for defence personnel. Later, in a related story, the *Financial Review* reported that international outsourcing firm Computer Sciences Corporation had bagged the \$50 million contract to develop the service, now known as the Defence Joint e-health Data and Information System.

FOREIGN AFFAIRS

Rudd Defends Assanges' rights

The Australian ran a story that Foreign Minister **Kevin Rudd** gave a strong defence of **Julian Assanges'** legal rights as the Wikileaks founder prepared to face court in London. Also, *The Herald Sun* reported that Kevin Rudd's wife, **Therese Rein**, was one of the thousands of commuters stranded by the icy conditions in London over the Christmas holiday.

Rudd call for inspections of Israel's nuclear facility

During **Kevin Rudd's** visit to Israel, *The Australian* reported that the foreign minister communicated a clear message calling for international inspectors to be allowed into their nuclear facility.

Look back to the future

The US and its allies should have learned from the Soviet experience in Afghanistan and realised long ago that the war is un-winnable, says former Prime Minister **Malcolm Fraser**. Fraser, as revealed in 1980 Cabinet documents released at the end of 2010, was seen as historically a Cold War warrior back in the US, given his statements against the Soviet push into Afghanistan. In *The Australian*, he claims that the American and Australian governments are pretending they can win the war but they cannot.

UK visa changes

The Financial Review reported that the UK will abolish its skilled visa program from April 6, 2011, which spells bad news for the many Australians who would otherwise use such visas for employment or working holidays in Britain. 1,500 employer-sponsored visas will still be available every month, and jobs with a salary of over \$AU240,000 would be exempt from the limit.

Moving on

Federal Resources Minister **Martin Ferguson** has declared that the Labor Party needs to modernise its views and start selling uranium to India. *The Age* quoted Ferguson as saying that the uranium policy needed to allow 'flexibility and discretion,' and described India as a country with a 'very, very good history of nuclear non-proliferation.' Also in *The Age*, **Richard Broinowski**, an adjunct professor at the University of Sydney and former Australian ambassador to Vietnam, Republic of Korea, Mexico, the Central American Republics and Cuba, wrote that

the argument in favour of uranium sales to India are demonstrably spurious.

EDUCATION

National curriculum

A report titled *The National Curriculum, A Critique* by **Chris Berg** was published by the Institute of Public Affairs and Mannkal Economic Education Foundation. In it he poses the question: Why are the basics of Western Civilisation absent from the national curriculum?

Simple mathematics only average

The academic integrity and international competitiveness of Australia's universities will be seriously compromised if the Gillard government goes ahead with plans to approve thousands of additional student places without a corresponding boost to the sector's funding. According to the coalition of the country's eight elite universities, known as the Group of Eight, the Government's proposal to provide an additional 110,000 undergraduate student places by 2020, and 235,000 by 2030, is putting quantity over quality and will result in much higher fees and/or greatly diminished academic standards.

Top in town

The Australian reported that the appointments of **Ziggy Switkowski** and **Peter Shergold** as chancellors of RMIT and the University of Western Sydney respectively, point to a healthy self-interest on the part of universities eager to improve ties with the top end of town.

Youth Allowance

The Australian reported that National Senator **Fiona Nash** will push for a broad ranging enquiry into youth allowance payments for university students when parliament resumes. The coalition spokeswoman for regional education yesterday said a comprehensive enquiry was needed to explore how youth allowance payments were too often seen as welfare rather than to address inequalities in the regional students experienced in getting access to a university education.

Plan to liberate schools

According to *The Australian*, schools will become self-governing under a Labor plan to hand responsibility for budgets and hiring teachers to principals and school councils, while holding them accountable for student performance. In a move that would comprehensively reshape the nation's education system, the federal government is proposing a model of school governance based on the way independent schools operate, turning government and catholic schools into 'autonomous' institutions.

In a briefing paper submitted to a meeting of state education ministers at the beginning of the December, and the federal government outlined the plan for autonomous schools to become the standard by 2018 in the government and non-government sectors.

My School boss rakes in the big bucks

The Australian reported that **Peter Hill**, the chief executive overseeing the My School website, is one of Australia's highest paid public servants, earning as much as a High Court judge, and more than the Prime Minister. The figures, published in the Australian Curriculum Assessment and Reporting Authority's annual report, showed that Hill earns over \$433,000 a year. Other big earners included **Lisa Paul**, head of the Department of Education, Employment and Workplace Relations, whose total annual remuneration package is valued at over \$470,000.

My school = my profits

Companies that sell school league tables based on information on the My School website could be sued under the changes to the sight to be announced by School Education Minister **Peter Garrett**, *The Age* reported.

AGRICULTURE. WATER**Push ahead with basin plan**

The Age reported that calls for the Murray Darling Basin Plan to be postponed have been rejected by the man left to run the controversial process. Its chief executive **Robert Freeman** expressed disappointment at his chairman **Mike Taylor's** departure and declared his intention to see the process through. Taylor quit the post after the Government rejected his authority's advice that it was necessary to prioritise the environment over social and economic needs when allocating water volumes.

He has now been replaced by former New South Wales Labor MP **Craig Knowles**. Victorian water minister **Peter Walsh** said that he looked forward to working with him. The **Australian Conservation Foundation** said in *The Age* that Knowles had previously shown he could rise above partisan politics. Knowles rejected his predecessor's views and believes the authority's role is to balance social, economic and environmental factors equally.

Ken's Tasmanian water

The Age senior columnist **Kenneth Davidson** writes: 'The Murray Darling plan cannot work, so it's time to look at alternatives'. Mr. Davidson claims that recent developments in technology now mean it is more expensive to operate the desalination plant than pipe twice the guaranteed volume of water from Tasmania. He also suggests that the new piping technology can be fully financed by private investment, can generate additional income for Tasmania by selling water that now runs into Bass Strait, and save the Murray Darling basin at the same time.

A rainfall tax

The Australian reported that the forestry industry is joining the rural discontent over the Murray Darling Basin Authority's water reform proposals. The industry warned that charging plantations for the water use of trees was a rainfall tax that could lead to deforestation. Meanwhile, farmers have lashed out at potential delays to the Murray Darling rescue

plan, saying while further consultation is critical, a degree of certainty about their future livelihood is also paramount.

Water Down the Drain

The Australian reports that Canberra is to offer close to \$6 billion for Murray Darling water efficiency projects, but some economists are questioning their worth. According to a report by the Victorian auditor general this year, 'the decision to commit \$1 billion was based on the advice of water savings and cost assumptions that had not been verified, technology that had not yet proven itself and the feasibility of the project, which was unknown. As a consequence, assumed water losses have been significantly revised down, making the achievement of intended water saving less certain.' The Productivity Commission argued in its report last year that farmers often overestimate the environmental gains from irrigation projects. The Commission also questions whether ultrasonic flow metres and sluice gates (gates used to control water levels) being installed at places such as Coleambally do save water.

Water expert basin proposal

Mike Young, a member of the Wentworth Group of Concerned Scientists, said in *The Australian* that his ideal plan could see the objectives of the Murray Darling basin authority altered using the feedback it has received. 'I would ask the new chair of the authority to run a dual process: one to prepare a green and then a white paper, which is a whole-of-government approach and almost sees the draft basin plan as an appendix to that. It might include re-examination of objectives and what we're really on about.'

What's that in your glass?

The nation's water quality watchdog has dropped a new zero tolerance plan to prevent faecal contamination of the nation's drinking supplies, after utilities complained that 100 per cent purity would be unrealistic. The **National Health and Medical Research Council's** water quality advisory committee has softened its plan to deem the quality of drinking supplies as satisfactory only if all samples are free of *E. coli* bacteria. The committee has opted to stick with the existing target of 98 per cent, after strong lobbying from the industry, *The Australian* reported.

Food flood

The **Australian Bureau of Agricultural and Resource Economics and Sciences** estimates that, despite the weather disasters that have befallen the country, the national winter harvest will reach 42.1 million tonnes. Such a result would be the largest haul in seven years, and be roughly 20 per cent higher than the 2009-10 crop.

Quick-fix solutions are a dam waste of time

In an opinion article published in *The Financial Review*, flood management consultant **Chas Keys** was heavily critical of **Tony Abbott's** simplistic flood-prevention strategy of building more dams. Keys argued that trying to stop water-flow with man-made constructions was a waste of time and money, and

proposed that funds would be better spent on helping communities prepare for and live with floods. He wrote that 'placing one's faith in dams smacks of the old Australian approach to floods, which is that they must be fought, 'controlled,' beaten into submission.'

JUSTICE**Speed gives ASIC some Hardie words**

Sydney lawyer **Robin Speed** wrote a letter to *The Financial Review* heavily criticising the Australian Securities and Investments Commission over their lack of action against the non-executive directors of James Hardie. Speed accuses ASIC of making an ineffective effort to take down the directors, and of not learning from its mistakes.

Threat of de-Forrest-ation

Andrew 'Twiggy' Forrest, the high-profile head of Fortescue Metals Group, might be forced to resign after the Federal Court ruled that he had breached the Corporations Law by misleading investors. The decision was praised by legal experts, who say that it provides much-needed clarity about listed companies' continuous disclosure obligations. Professor **Ian Ramsay** from the University of Melbourne's Corporate Law department told *The Australian* 'this is the first time we've had the Full Bench of the Federal Court handing down a ruling on continuous disclosure and the three judges are unanimous.' Forrest has vowed to appeal the courts decision.

Double jeopardy

The Australian heralded the death of the legal tradition of double jeopardy in Britain after a man cleared of a murder in 1995 was found guilty of the same offence in a second trial based on new evidence. Suspects in Australia can still not be tried a second time if they have been acquitted of a serious offence, but Britain dropped the double jeopardy protection 5 years ago.

MEDIA**PM talk has a familiar ring**

Prime minister **Julia Gillard** prompted false speculation that she was engaged to partner **Tim Mathieson** after she appeared at a press conference wearing a large, sparkling green on the ring finger of her left hand. When asked to explain that she replied: 'I have had that ring for a long period of time and wear it on my left hand or my right hand, depending on how much hand writing doing. If it will make you feel better, I'll slip it back on the right hand.' This story was reported in *The Age* and the *Financial Review*.

Mark media critic

The Financial Review published a piece by **Mark Latham** in which he describes self-indulgence and self-justification as hallmarks of *The Australian* Newspaper, which he says is spearheading the decline of political journalism. 'No doubt, *The Australian* considers itself one of the most important institutions in Parliament house.' 'The real garbage was on the

reporter's head – an absurd session with the 'got-you' reporting that has sullied her profession,' he said.

Mick media critic

The Australian reported that Major General **Mick Slater**, the man in charge of leading the Queensland government's flood recovery taskforce, has warned the media not to hamper his efforts by dividing the community. He said his priority was to tour affected areas and listen to those who have suffered the most.

Cable AFL

Pay television will be able to bid directly for the exclusive rights to four weekly AFL matches under a federal Government move to ease the rules for pay television to bid directly for TV rights. According to the *Financial Review*, Communications Minister **Stephen Conroy** is close to finalizing a deal with the AFL which will ensure that Friday and Saturday night games can still be purchased by free-to-air television networks and include the best two games of each round. Such a deal could inject billions into the AFL and NRL as the rights to more quality games are made available for pay-TV to buy.

Meandering

The future of *Meanjin*, Australia's second oldest literary magazine, is again in the news with the departure of editor **Sophie Cunningham** and the threat of an exclusively online existence. A statement by Melbourne University Publishing, which publishes *Meanjin*, said Cunningham was not renewing her contract in order to return to full-time writing. However, a source close to the magazine said Cunningham had been told earlier in the year by MUP chairman **Alan Kohler** that the future of the magazine lay online, a view she did not agree with, *The Age* reported. MUP have since confirmed that the magazine will continue to be printed.

Nice one

Coles supermarkets 'under \$10 meal' promotions have been awarded a national prize as the biggest 'dud' offer by consumer advocate group Choice, *The Age* reported.

Keep reading

Statistics published in *The Australian* show that its weekend paper's Saturday circulation has increased from 853,000 in 2009 to 887,000 in 2010, compared to *The Financial Review's*, which had fallen 11per cent from 172,000 to 153,000.

SOCIETY

Homeless study

The government announce that a \$5 million dollar study is to be Australia's most comprehensive into the causes of homelessness. The Gillard government study aims to better target the \$5 billion dollars that is spent on the homeless annually.

Doleful pace

Unemployed people are \$342 worse off year on average than they were when Labor came to power

because their living costs have been rising faster than the dole. Despite a political focus on working families, cost of living pressures have been pushing the unemployed into poverty at an alarming rate, with Australia now facing international pressure to increase the Newstart allowance. An analysis of Bureau of Statistics figures by Canberra-based think tank **The Australia Institute** shows living costs of people on government benefits rose by 12.8 per cent between June 2007 and September 2010, *The Age* reported.

30 years on

On the last day of 2010 the 30 year rule allowed lots of government documents to become available. Many interesting articles, particularly in *The Australian* which filled in some interesting details and added some unknown history onto the public record. Nothing earth-shaking this year. Some good character deepening details of prime minister Malcolm Fraser.

Still bad

United States – despite a flurry of publicity and public agonising, nineteenth century outlaw **Billy the Kid** won't be pardoned, outgoing New Mexico governor **Bill Richardson** has announced. The Democratic governor said: 'the romanticism appealed to me, to issue a pardon, but the facts and the evidence do not support it, and I've got to be responsible, especially when a governor is issuing a pardon.'

APPOINTMENTS, JOBS, TENDERS, NOTIFICATIONS

Appointments

Professor **Ian Young** has been appointed next vice-chancellor at the Australian National University. He is currently vice-chancellor of Swinburne University. He is a civil and oceanographic engineer, having graduated from James Cook University.

Victoria's top librarian, **Anne-Marie Schwirtlich**, has been appointed director-general of the National Library of Australia. She has been CEO and state librarian at the State Library of Victoria since 2003, and will begin her new roll on March 11.

CropLife Australia is the peak industry Association representing the Australian plant science industry. **Mathew Cossey**, previously ACT director of the Australian Labor Party and then public affairs director at Raytheon, will commence in the roll of CEO at the end of January 2011.

The Liberal Party of Australia has appointed **Phillip Higginson**, managing director of search firm ProNED, to the role of federal treasurer.

Jobs

The Office of the Premier of Victoria has been seeking suitably qualified and experienced applicants for the roles of ministerial adviser, senior ministerial adviser, and administration support. Applications closed January 10, but do not let this slow down your application.

Parkinson's Australia is seeking a Canberra based chief executive. 1800 241 243, cv@dakinmayers.com.au

The Australian Government Sugar Research and Development Corporation is seeking to appoint five to seven non-executive members to its board from May 1.

The Australian government is setting up the Australian National Preventative Health Agency and is searching for expressions of interest for the position of Advisory Council member.

Tenders

The office of the Inspector-General of Taxation, **Ali Norooz**, is calling for submissions from tax payers and tax professionals who have tax administration experience, to contribute their concerns and suggestions for a report on his work program for 2011 and beyond. Submissions by 28 February, submissions@itg.gov.au

Intelligence review

The Australian Government is performing an independent review of the six organizations under the umbrella of the intelligence community. According to the notification published in the *Financial Review*, there are six key issues to be addressed and the process will be lead by **Robert Cornall AO** and **Associate Professor Rufus Black**. This review is taking place on the recommendation of the 2004 review, which recommended another occur within 5 to 7 years. Submissions until March 18, www.dpmc.gov.au/publications/iric/index/cfm

School funding review

The Australian Government has appointed a panel to conduct a Review of Funding for Schooling. The panel is seeking submissions from individuals and organisations in response to its Emerging issues paper, available at www.deewr.gov.au/fundingreview Submissions by March 31.

Retail industry inquiry

The Australian Government has asked the Productivity Commission to undertake a public inquiry into the *Economic Structure and Performance of the Australian Retail Industry*. The notification in *The Age* states that the commission invites public participation. www.pc.gov.au (under 'projects')

Multiculturalism inquiry

Multiculturalism in Australia will be the focus of a new inquiry by federal parliaments Migration Committee. www.aph.gov.au/mig

Forestry industry inquiry

The House of Representatives Agriculture Committee has commenced and inquiry into the Australian forestry industry. The committee will explore, among other things, current and future prospects of the industry, particularly with regards to opportunities for and constraints upon production; opportunities for diversification, value adding and product innovation; environmental impacts of forestry and creating a better business environment.





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