LETTER FROM CANBERRA

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



16 MARCH TO 14 APRIL 2010 Issue No. 23: Pre-Budget Edition

Letter From Canberra is a sister publication of Letter From Melbourne, which was established 16 years ago

INSIDE

Boatpeople continue to land. **But.**

New Population Minister School buildings program lining pockets

Affordable housing rushed/hidden

Worm turns, Rudd 'wins' health debate Ironman Abbott, finishes triathalon, sells speedos, slips in polls Telstra and NBN Co still at each other Turnbull and Minchin resigning. Barnaby/Robb shuffle. 14 Collins Street Melbourne, 3000 Victoria, Australia P 03 9654 1300 F 03 9654 1165

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WELCOME

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

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

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

For many years, our other publications have included the well-known federal government Departmental Wall Chart. (NOW AVAILABLE at 03 96541300 or letterfrommelbourne.com.au)) We conduct seminars and informal luncheons and meetings in Melbourne, Canberra and Sydney.

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

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EDITORIAL

If you want a warm up to the federal election, head to abbottfacts.com.au. It's a website registered by the ALP which details the history of Work Choices and points to a divided Liberal Party out of touch with mainstream Australia. Nasty politically-written tone to it, short on (any) outcomes. Have heard that the Liberals are planning something similar.

Moving into the final straight, a full term for the Government would see a November election perhaps, but taking in footy finals, school holidays, state election dates and the possibility of a double dissolution, we may be looking at August (11 August is the last day on which a double dissolution election could be called), with a Jon Faine (radio) listener saying that July could be the date. (11 February 2011 ends the current term of the House of Representatives. 16 April is the last day for the election to be held under the normal electoral cycle).

This almost feels like the calm before the storm, with election issues simmering away and likely to overshadow the coming budget, to the extent that the budget (on May 11) <u>may</u> only be a blip on the radar. New tax on fags and booze on that menu. Although, no doubt the opposition will draw any perceived flaws to the attention of voters.

This month has seen the continuation of the big health push and debate continuing in education over the My School website and the schools building program. There has been fence mending over infrastructure spending, with one fence costing \$900,000 to construct. There is an independent (Gilbert) report into infrastructure spending due out in six months time. Victorian Premier John Brumby went to Canberra on 14 April to address the National Press Club about the Health System. STOP PRESS. Deeble who advised former Labour governments on health has come out against the proposed Commonwealth health plan.

The Tasmanian election result provided a challenge to the democratic process as it translates into government which is understandable and acceptable.



ABOUT THE EDITOR ALISTAIR URQUHART

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

His early career was mostly in the coal industry, where he became involved with energy, environmental and water issues, and later in the SME finance sector.

His public affairs firm works with many engineering and information technology firms, other professional association

and industry groups, on a wide range of issues, in Victoria, Canberra and overseas.

Urquhart visits Canberra regularly. He may hold the record for miles rowed on Canberra's Lake Burley Griffin.

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IMMIGRATION. POPULATION

A challenge

The number of refugees seeking asylum in Australia rose by almost 30 per cent last vear despite global numbers remaining steady, challenging Kevin Rudd's claim that instability abroad is behind the surge in refugee boats, The Australian reported. Nearby, authorities are preparing another mass transfer of asylum seekers from Christmas Island, as Australia's intelligence watchdog warned that ASIO is struggling to cope with the deluge of security assessments on boat people. The Age reported that the Government has denied it has broken a key election pledge and begun processing asylum seekers on the mainland, despite the second mass transfer of detainees to Australia from the overcrowded Christmas Island centre.

Nearby

The *Herald Sun* reported that the 100th boat to arrive in Australian waters brought the number of asylum seeker arrivals under the Rudd Government to 4,386. At \$80,000 each, according to official figures, boat people have cost taxpayers an estimated \$350m to process on Christmas Island.

The ton and then some

The 101st illegal vessel to arrive under **Kevin Rudd's** prime ministership sailed within 1.5 kilometres of Christmas Island at the beginning of April. Someone on board called 000 on a mobile phone with global roaming and was connected to the WA Police. The police notified the Australian Maritime Safety Authority, who called Border Protection Command, who ordered the Navy patrol boat HMAS *Broome* to intercept the vessel, the *Herald Sun* reported.

Pettiness revisited

In its often humorous Cut & Paste section, *The Australian* reported that just over a week after **Kevin Rudd** goaded the Opposition by saying the Howard government held the record for the most illegal boat arrivals in one month, the Rudd government took the title with 15 in March, one more than the 14 recorded in November 1999.

Encouraging similar

The Australian reported that the UN's refugee agency has warned that the Government's decision to allow dozens of Sri Lankan boat people in Indonesia to jump the immigration queue will encourage others to try similar tactics. UN High Commission for Refugees' representatives met in Colombo last month to discuss the effect of the decision to strike a deal with 78 Sri Lankan asylum seekers.

He'll sink them if he has to

Tony Abbott has declared he will do whatever it takes to stop illegal boat arrivals if he wins office. Another 70 boats carrying asylum seekers are tipped to arrive before the federal election, expected later this year.

Firmer hand

Since this declaration, the Government has said it will not process any applications for asylum from Afghanistan or Sri Lanka. In The Age, **Michelle Grattan** wrote that the Government is sending strong signals internationally and to the home audience with its attempt to stop the escalating numbers of boat people. The Rudd Government (especially Immigration Minister Chris Evans) arrived in office full of hope and confidence that Labor could run a more humane policy that kept people detained for a minimum time, without spurring the boat trade. It hasn't been like that.

As opposed to stereotypes with currency

People smugglers caught in Indonesia will face five years iail. The Australian reported. The measures were unveiled by Indonesian President Susilo Bambang Yudhoyono in his speech to the Australian Parliament, which The Australian's editor-at-large Paul Kelly said confronted the obsolete stereotypes that darken the future of Australian-Indonesian ties. He came as a symbol of democracy and got the balance right between realism and optimism. He spoke with a frankness only possible as a friend. The President warned both sides must 'expunde these preposterous mental caricatures'. He meant Australians who still see Indonesia as an authoritarian country, a military dictatorship or a hotbed of Islamic extremism, and 'Australia-phobic' Indonesians. Sadly, such categories still include many people.

A bit sheepish

After a lapse during the global financial crisis, New Zealand migrants returned to be our top source of new settlers, with 2,200 travelling here in January. In the worst month of last year 1,140 came, allowing China for the first time to displace our near neighbour as our biggest source of migrants, *The Age* reported.

Australia is above average

The Australian reported that the nation's 2.1 per cent population growth rate is almost twice the world average of 1.1 per cent and faster than Asian neighbours. Canada, which has similar immigration policies to Australia, grew by just .8 per cent according to Australian Bureau of Statistics figures. Demographer **Bernard Salt**, of KPMG, said the high net migration numbers were a temporary spike due, in part, to Australians returning home in the wake of the GFC.

Where does this leave the debate?

The Government has been told that a longterm net migration intake of 180,000 people a year will produce the best outcome for the economy and that the current higher inflow of about 300,000 people will fall to this level from 2012. The confidential advice was delivered as part of a plan to establish a new longterm framework for the migration program, which is being incorporated into budget deliberations this year for the first time, the Financial Review reported. Meanwhile, Tony **Abbott's** Coalition will cut net migration levels it wins Government, in a bid to stop Australia's population reaching its predicted size almost 36 million by 2050, The Australian reported. Opposition immigration spokesman Scott Morrison said the Coalition would not allow the average net overseas migration of more than 300,000 a year that had occurred since the Rudd Government took power to continue. The Australian reported that Business Council of Australia president Graham Bradley said big business would resist any attempt to cut immigrant numbers. An editorial in the same paper, under the headline of 'Planning for prosperity and a bigger Australia', said new oil and gas discoveries promise unprecedented growth. In The Age, Michelle Grattan wrote that politicians and the public are in danger of misplaced panic over population. Immigration and population are issues on which farsighted politicians should lead, and not be swayed by or exploit, public fears and uncertainties.

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Population Minister

Australia's first Minister for Population, Tony Burke, appointed on April 3, says it is impossible to stop the nation's population growth. Less than a week into his job and facing calls for big cuts in migration, Burke said that Australia's population would continue to expand even if the Government ended all migration, The Age reported. The Herald Sun reported that he said Treasury's projected 36 million population for 2050 was not government policy, despite the Prime Minister's repeated use of the figure. And he said his 12-month population inquiry, to report after the federal election, would not make findings on how many people should live in Australia.

FOREIGN AFFAIRS

Kissinger it better

Australian Rio Tinto executive **Stern Hu** pleaded guilty, at a politically charged trial in Shanghai, to taking bribes, the *Herald Sun* reported. He was given a 10-year jail term which Australia has condemned as 'very harsh'. Rio Tinto has engaged the services of 86-year-old **Henry Kissinger** to help rebuild the company's relationship to China in the wake of the Hu affair. Kevin Rudd said that Beijing's lack of transparency was unbefitting an emerging global power. *The Australian* reported that China expressed serious concern about Australia's 'irresponsible' criticism of the jail sentences handed out to Hu and his three colleagues.

Clear view

Former Prime Minister **Malcolm Fraser** has urged the Government to expel Israeli diplomats over the use of forged Australian passports in the alleged assassination of Hamas operative in Dubai, *The Age* reported. None have yet been expelled.

His place in history

Barrack Obama's health-care reform package was passed by the House of Representatives in mid-March and is likely to pass through the Senate along party lines.

It gives Americans close to universal health insurance for the first time. Passage of the health bill was so crucial to Obama that he delayed his planned departure for Indonesia and Australia so he could personally lobby wavering members of his party for the vote. He is now expected to make the trip in June.

We don't have any

Kevin Rudd has rejected a special invitation from Barack Obama to take part in a nuclear weapons summit in Washington in April, *The Age* reported. He has since been urged to join a growing global push to safeguard the world's nuclear supplies and stop nuclear weapons falling into the hands of terrorists. Rudd's decision has caused diplomatic tensions between Australia and Japan to spread beyond the issue of whale hunting in the Antarctic. *The Australian* reported that Japanese resentment is growing at Rudd's decision not to attend the disarmament meeting in Washington.

Ordinary economic forces

A Chinese government post-mortem into the collapse of the \$21.3b Chinalco-Rio Tinto investment deal has exonerated the Australian Government and the Anglo-Australian miner. Instead, it accepts the prevailing view in Australia that ordinary economic forces killed what would have been China's biggest foreign investment deal, *The Age* reported. Nearby, *The Australian* reported that China's Premier, **Wen Jiabao**, has warned the world risks sliding back into recession and says his country faces a difficult year trying to maintain economic growth and spur development.

The sheep of the ocean

Green groups and the Australian Government have expressed dismay at the decision by New Zealand to back an international move to legalise whaling and allow Japan to conduct a limited hunt, *The Age* reported.

Down here

Chinese interest in Australian property is rising – the impact can be seen at top end suburbs, at auctions conducted in Mandarin as well as English, and in ownership of inner-

city apartment towers. The Foreign Investment Review Board outlaws the exclusive marketing of property offshore. And the Australian Competition and Consumer Commission has long warned about the dangers of two-tiered property pricing. Bidders from China are a relatively new force at Australian auctions, due to changes to foreign investment laws last year. Foreigners who hold a temporary Australian visa for more than a year, and those holding a bridging visa while they apply for permanent residence, can now buy established as well as new homes. Overseas investors are not allowed to buy established homes, but they can buy new dwellings and those off the plan, the Financial Review reported.

An intriguing idea

Indonesian President Susilo Bambang Yudhoyono told Kevin Rudd that Indonesia is unlikely to support his push for a new Asia-Pacific community as Jakarta sees the existing ASEAN bloc as its priority. Yudhoyono told Rudd the community was an intriguing idea to explore but Jakarta's foreign policy priority lay in strengthening the Association of Southeast Asian Nations, *The Australian* reported.

Noooooo!!!

The *Financial Review* reported that moves are afoot to admit overseas lawyers. Currently, countries are reluctant to open their borders to Australian lawyers while their lawyers cannot work here. India and China are particularly in the profession's sites. Wider reforms are expected to create a national standard.

Different focus

Peter Woolcott replaces Caroline Millar as Australia's Ambassador and Permanent Representative to the United Nations in Geneva and to the Conference on Disarmament, Foreign Minister Stephen Smith announced. Woolcott is currently the Department of Foreign Affairs and Trade's ambassador for people-smuggling issues.



Catching the 48 tram

The Government will contribute \$3m to safety works along the Kokoda Track in Papua New Guinea, improving air strips, roads, bridges and communications, to make it less dangerous for tourists to walk.

How do you like your coffee?

Yudhoyono presented Rudd and his wife **Therese Rein** with some rare luwak coffee as a gift. Australian officials took possession of it from their Indonesian counterparts at Canberra's exclusive Hyatt Hotel during the bilateral visit. Such imports under Australian quarantine regulations normally require formal clearance from the Australian Quarantine Inspection Service, *The Age* reported.

EDUCATION

Where it's at

A breakdown of costs for individual projects in New South Wales under the Federal Government's \$16.2b school infrastructure program, the only government school sector to provide information, shows initial estimates for school buildings do not include the associated construction costs, and reveals the extent of fees and charges paid to managing contractors and builders, meaning that the cost of projects more than doubles from initial estimates by the time builders start work, The Australian reported. Nearby, a handful of the nation's major construction companies will share in profits of more than \$130m in New South Wales under the scheme. Analysis by The Australian shows managing contractors in New South Wales will earn \$134m in profits and be paid an estimated further \$80m in 'project management' fees to oversee the work. The New South Wales government has appointed managing contractors to oversee building projects in different regions.

Nearby

Unions have exploited a loophole to have almost all school stimulus upgrades in Victoria declared 'major projects' in order to

pocket site allowances estimated to total at least \$8m. The Master Builders Association of Victoria's executive director **Brian Welch** said the allowances — supposed to account for harsh conditions on large buildings — were an 'abomination' and should never have applied to most education revolution projects, *The Australian* reported.

Shade structure

The Australian reported that the New South Wales Government made the first official admission that the Federal Government's \$16b school building program is failing to deliver value for money after State Education Minister Verity Firth reversed a decision to build an overpriced \$1m shade structure instead of a new classrooms. A follow-up report in the same paper said that most New South Wales Catholic primary schools are spending between \$70,000 and \$500,000 on outdoor covered areas, called COLAs, while 42 state schools are spending more than \$800,000 on COLAs under the schools stimulus package: 21 state school COLAs have price tags of more than \$954,000. The New South Wales government is reviewing the cost of the structures.

In defence

Julia Gillard said she is open to tightening the guidelines of the \$16b school building program but has defended its role in sparing Australia from a recession. And while the Deputy Prime Minister has called for vigilance from states rolling out the program to avoid waste, she stressed that blowouts have been rare and denied the existence of price gouging, The Australian reported. Dismissing opposition attempts to liken the scheme to the government's abandoned home insulation program, Gillard said the BER would come to be seen as a textbook example of how governments could act to protect jobs from recessions. She eventually capitulated to criticisms to criticisms that the building program is being rorted, establishing a taskforce to investigate allegations. It will report publicly every six months, with an interim report after three months.

Campaigning against school website

The Australian reported that three-quarters of school principals believe the information about their school presented on the My School website is incorrect and nine in 10 believe it fails to present an accurate picture of school performance. A survey of almost 1,200 primary and high school principals has found half believe the index of social and educational advantage assigned to their school was inaccurate; about 90 per cent said the schools with which they were grouped were not similar. The survey was conducted by the Australian Education Union and was part of its campaign against the My School website.

Troubles

The Victorian Government could be forced to hire more than 6,000 independent supervisors at a cost of \$5m if the Australian Education Union votes to boycott national literacy and numeracy exams, *The Age* reported. The Law Institute of Victoria has advised parents not to act as strike breakers, at Education Minister **Julia Gillard's** behest, and supervise the tests as they could be legally liable if students were injured under the watch.

Slurs

The Australian Education Union is seeking advice over whether teachers can take legal action if derided online, after several students were suspended across the country for posting slurs on Facebook. Cyberbullying is a growing problem for teachers, with parents and students able to post vicious — often anonymous — comments on social networking sites, *The Age* reported.

Bureaucratic demands

The Australian reported that non-government schools say education agreements between the commonwealth and the states designed to lift school performance have become bogged down by excessive amounts of paperwork and an onerous and expensive evaluation process. The National Catholic Education Commission and the Independent Schools Council of Australia wrote to Education Minister Julia



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Gillard in December expressing their concerns about the overly bureaucratic demands of the National Partnership agreements.

Bush scholarships

The 150,000 university students living in limbo over changes to youth allowance have been given some certainty after the Government and Opposition struck a deal set to be pushed through the Senate. Education Minister Julia Gillard and Opposition counterpart Christopher Pyne said they had reached a compromise that meant scholarship funds will start flowing shortly. Under the deal, students in rural and regional areas will find it easier to claim youth allowance than the Government had initially proposed, but to keep the changes budget-neutral the value of the government funded start-up scholarships have been reduced. Some nationals MPs were understood to be unhappy that the deal still left students in country areas worse off than the current rules, The Age reported.

Train them

Speaking on the ABC *Insiders* program, **John Roskam**, head of the Institute of Public Affairs, said the national curriculum will only be okay if more teachers are trained.

Shonky foundations

Colleges assessed to be at the greatest risk of collapse would have to pay higher levies under a proposed overhaul of Australia's \$17b international education sector, *The Age* reported.

Inadequacies

Medical students are emerging from the nation's universities feeling inadequately prepared to deal with crucial tasks such as calculating safe drug doses and writing prescriptions, according to Education Department commissioned research. Australian Medical Association president

Andrew Pesce said more needed to be done to properly fund medical training, *The Australian* reported.

K-10

The draft curriculum K-10 for English, mathematics, science and history is available for public comment until 23 May 2010, www. acara.edu.au.

HEALTH

Handicapped

In the nationally televised health debate between Tony Abbott and Kevin Rudd, Abbott had the equivalent of one foot in a plaster cast, and accordingly lost the debate, The Age's Michelle Grattan reported. The Opposition Leader came out worse on substance and style. The Australian's Paul Kelly wrote Rudd won the Great Health Debate with a reminder that he is a smooth, persuasive and formidable Prime Minister who skates over his weaknesses and projects as a constructive leader. Abbott performed capably with a bad hand. The Opposition had no hospital policy and this proved a crippling defect. The Financial Review's Laura Tingle wrote that the health debate has given Labor the chance to slow down a resurgent opposition.

At the mercy of the worm

The Age reported that Opposition Leader Tony Abbott has shifted towards a conciliatory position on Prime Minister Kevin Rudd's hospitals policy as he tries to counter poll damage apparently caused by his negativity in the first debate. At the end of March, the Prime Minister's personal support was shown to be clearly rising for the first time after months of decline.

Artful linkage

In an address to the ADC Cities Summit in Melbourne, **Kevin Rudd** linked his health reform package to Australia's future economic prosperity, arguing an extra 175,000 people could be in the workforce in 20 years if chronic diseases are effectively tackled, *The Australian* reported.

Making the stick out of carrot

The Government has committed \$632m over four years to train thousands more doctors, as it throws out carrots to woo the states to back its hospital reform package. Victoria is still holding out for more incentives, amid warnings from doctors that the state stands to lose much more form the deal than previously estimated. **Harry Hemley**, Victorian president of the Australian Medical Association, says Premier John Brumby should demand \$1.5b for a new hospital or other infrastructure upgrades before agreeing to the plan, *The Age* reported. More incentives are on the way, including \$500m towards ensuring emergency department patients wait no

longer than four hours for treatment. The money, to be spread over four years, will only be delivered if state premiers agree to Rudd's new funding model at the Council of Australian Governments meeting on April 19. In all, Rudd has put a total of \$3b over four years of funding on the table, including a final sweetener of \$650m to cut waiting times for elective surgery.

A list of problems

Kevin Rudd delayed the crucial meeting on health reform with premiers until April 19, with his office insisting the change was not due to the uncertainty in the South Australian and Tasmanian election results. The new survey shows that one fifth of voters are prepared to change their vote over health, *The Australian* reported. Nearby, the states have compiled a list of more than 40 problems with the proposed hospital takeover.

What about this?

Victorian Premier **John Brumby** is promoting an alternative health plan where the states retain their power to control and direct hospital funding. In a clear sign that Victoria is fundamentally opposed to the Federal Government's proposed hospital takeover, the Brumby model rejects the notion of the Commonwealth directly funding the local networks that run hospitals, *The Age* reported.

The pen is mightier than the sword

Senior fellow of the Grattan Institute, and former University of Melbourne vice-chancellor and medical doctor, **David Pennington** wrote in *The Age* that the state should be collaborating rather than holding back when it comes to Rudd's reforms for the ailing health system. There is much to be done, but the Prime Minister has taken important steps.

Episode 1

Productivity Commission chairman **Gary Banks** told a conference in New Zealand that the lack of a nationally consistent approach to measuring the cost of hospital episodes meant a huge amount of work needed to be done before Rudd's plan could be implemented, *Financial Review* reported.

Before the worm turned

Opposition Leader **Tony Abbott** has challenged Prime Minister **Kevin Rudd** to immediately announced 3,500 extra beds for Australia's public hospitals, *The Age* reported.

Not good economics

More than a quarter of Australia's hospitals could go broke under **Kevin Rudd's** activity-based funding model, according to research commissioned by the New South Wales Government. The research, by University of Wollongong academic **Kathy Eagar**, suggests hundreds of hospitals across rural and regional Australia that have 10 or fewer beds and unpredictable workloads would

have to close if they were funded purely on the basis of the efficient cost of each service they provided, *The Australian* reported.

Not perfect but something

On the opinion pages of the *Financial Review*, Andrew Podger, the national president of the Institute of Public Administration in Australia, wrote that the gaps and weaknesses in Rudd's health proposals are by no means trivial, but rejection of his proposals runs the risk of both parties avoiding serious reform for a decade or more

Behaving like a bank and an insurance company

The Age reported that Medibank Private has cut benefits available to hundreds of thousands of its members, leaving them uninsured for a range of common operations unless they agree to pay up to 50 per cent more in premiums. In a controversial move to which the Government has made no objection, Australia's biggest health fund has told 340,000 members on its basic 'First Choice Savers' package that they will lose even restricted cover for several common but costly procedures – such as heart operations and hip replacements - which people seek cover for to avoid long delays in the public system. Other procedures totally withdrawn are: assisted reproductive services, knee joint replacement surgery, obstetrics, plastic and reconstructive surgery and renal dialysis. Services that will still be covered on the First Choice Savers, which is no longer open to new members, include palliative care, wisdom teeth extraction, and knee and shoulder reconstruction surgery. To reinstate coverage taken away from them, members will have to upgrade to a higher level of insurance than they had before. This will involve about a 40 per cent jump in family premiums to \$85.52 a fortnight in Victoria, and a jump of more than 50 per cent to \$70.70 in New South Wales. A Medibank spokeswoman said the fund had given the Government notice of the proposed benefit cuts, which take effect from June 1. Premiums rise in April. Medibank remains in government ownership but has recently switched from being a non-profit fund to a for-profit company!

Easy for some

The Government has spent \$48m propping up the troubled Medicare Easyclaim system, intended to allow patients to lodge claims for a rebate direct from the doctor's office. So far, only 25 per cent of all patient claims for a rebate are handled electronically, half of all claims are still dealt with face-to-face in a Medicare office and a quarter lodged by phone or post, The Australian reported. Meanwhile, Medicare Australia will pay IBM \$189m for a one-year extension to its long-standing technology infrastructure services contract, along with a disengagement arrangement for up to 24 months.

A clearer view

Nurses and pathologists have warned a Senate committee that privacy concerns surrounding the proposed introduction of a new unique national electronic health-care identify system should not be put ahead of eliminating clinical mistakes caused by misidentifications that kill patients. Mixing up patient identities can cause fatalities. The Opposition is not saving if it will support the new laws, the Financial Review reported.

INFRASTRUCTURE

Cutting through red tape

The Financial Review reported that more than 2,000 stimulus projects nationwide have been exempted from normal development assessments in a new approach to construction that the Government will urge state and territory treasurers to extend. The reform is being strongly backed by Treasury secretary Ken Henry and developers, but the Opposition is gearing up to take advantage at the looming election of community discontent about the fast tracking of stimulus projects. Meanwhile, The Age reported that new opposition finance spokesman Andrew Robb said business sees Henry as a de facto treasurer dictating government decisions.

Too much pepper

The nation's local councils say they feel cheated by Kevin Rudd and the states because of a bid to prevent them holding town planning powers over public housing. The Australian

Local Government Association has accused Canberra of overreaching on town planning. and of being captured by property developers. The councillors agreed last year to suspend town-planning procedures to fast track \$5.6b in Commonwealth spending on public housing as part of the Prime Minister's \$42b economic stimulus package. But ALGA president Geoff Lake said the Commonwealth was driving an attempt by the states to permanently sideline councils on social housing and other major projects, a move he said left him feeling cheated, *The Australian* reported. Community anger over the rushing of these affordable housing projects threatens a number of Labor MPs in marginal seats, not the least-of-whom is **Maxine McKew**. Her northern Sydney seat of Bennelong, formerly held by John Howard, is the second most marginal Labor-held seat in New South Wales and has been peppered with about a dozen social housing projects under the stimulus package.

Nearby

The Age reported that bank lending to investors to build new housing in 2009 shrank to the lowest share of new finance on record. The number of new homes started in 2009 fell to the lowest level in 13 years.

Only in NSW

The Age reported that Australia's reputation among global infrastructure investors has taken a battering following the New South Wales government's decision to shelve the \$5b Sydney metro project, just days before the tender process for the rail link ended. One of the consortiums vying for the project warned its late scrapping would mean the New South Wales government would find it tough to generate interest in future infrastructure projects until it had proven itself to the market.

More stimulus

It will cost \$50m to strip foil insulation from up to 50,000 houses or install electrical safety switches to help correct faults in the Government's \$2.45b home insulation scheme. After being linked to 105 house fires and four deaths (STOP PRESS: another two deaths, of a man and his grandson in a house fire, have been linked to the scheme), the new minister



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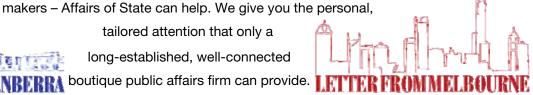
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in charge, Greg Combet, revealed further problems in the program, including fraud and job losses, The Australian reported. He also said he had no idea how many of the 10,000 companies that delivered the insulation were dodgy. Nearby, names and contact details of homeowners who installed roof insulation under the program are being bought and sold for up to \$100 each by entrepreneurs. Queensland entrepreneur Luke Cleeve saw an opportunity in the insulation scheme and has since turned his sights on the Government's safety inspection program. The 30-year-old said he made a \$40,000 loss after the scheme was suspended, leaving him with \$180,000 of products. He said he hoped to recoup some of the losses by acting as a middleman for electricians working to fix issues caused by inexperienced installers.

Foiled

The Financial Review reported that the Government has blocked the release of information about the unravelling of the insulation program, fuelling Coalition claims that it is hiding details about how it managed problems with the troubled scheme. The Opposition accused Kevin Rudd of suppressing documents relating to the program, after key parts of the material provided by his department to the Senate committee were blacked out.

Brainstorming

A national design policy and a federal office of urban affairs are urgently needed in Australia, VicUrban chief executive **Pru Sanderson** says. Her call for the federal office complimented VicUrban director **Meredith Sussex's** suggestion that 'national cities centres' should be established in each big city to encourage thinking about how Australian urban centres should develop, *The Age* reported.

Wrong again

Speaking at the Urban Development Institute of Australia's National Congress in Sydney, former prime minister **Paul Keating** said Australian cities, and particularly Sydney, are getting urban planning and high-density residential development all wrong. And Sydney's inability to meet rising housing demand meant our children can not afford to house themselves, the *Financial Review* reported.

Burning up the house prices

The Australian reported that Asian buyers are putting a fire under the country's housing market, with capital city sales – particularly to Chinese buyers – doubling in the past 12 months, according to real estate group Ray White.

Big dollars

Queensland's emerging coal seam gas industry has received a \$60b boost from China with the official signing of Australia's largest liquefied natural gas deal. Britain's BG Group and China National Offshore Oil Corp sealed the deal, announced last May, to supply 3.6 million tonnes of LNG per annum to CNOOC for 20 years, *The Australian* reported. Some fear that the deal could push up domestic gas prices on Australia's east coast.

GOVERNANCE

Debates

A series of three debates between **Kevin Rudd** and **Tony Abbott**, the first focusing on health (see that section), will be held in the lead up to election day, which is not expected for about six months, the *Herald Sun* reported.

Distorting the significance of God

The Australian's editor-at-large, Paul Kelly, observed that the media is overly obsessed with Tony Abbott's Catholicism. He cited a recent example on the ABC Four Corners program. The unifying theme was Abbott's religion to an extent that would have been inconceivable in any comparable program on Rudd. This program magnified out of proportion and distorted the policy significance of Abbott's religion as distinct from Abbott's views on economics, finance, foreign policy, welfare, education, health, parental leave, industrial relations and so on, that will bear directly on an Abbott prime ministership. It would be a serious lack of judgement if the media invested Abbott's religion with more weight than it deserves. It would be an equal lack of judgement if the media, in depicting the political meaning of Abbot's Christianity, offered a series of sustained distortions.

Private government

The Financial Review reported that the Government has turned to a management consultant to implement its centrepiece health reform as part of a broader strategy to recruit private sector talent into the bureaucracy.

Tim Beresford, a former corporate lawyer and Westpac executive with over 15 years' experience in banking and mergers and acquisitions, has taken on a senior role in the Department of Prime Minister and Cabinet that will focus on implementing the proposed national hospitals network. As part of the recruiting drive James Flintoff, from the ANZ Banking Group, where he was head of Private Bank (Victoria), has been appointed to the key position in Prime Minister and Cabinet of executive coordinator responsible for the Cabinet Implementation Unit; former deputy chief executive officer and director of strategy at World Vision Australia, Paul Ronalds, has been appointed executive coordinator, domestic policy; while Paul Schreier, who has experience working for the Royal Navy in the United Kingdom as well as McKinsey & Company is also joining the Prime Minister's Department after a stint in Defence. The management and consulting drive has attracted over 1000 applications including many from the private sector and is being overseen by a small but powerful group of departmental secretaries - Terry Moran, Treasury head **Ken Henry** and finance department head **David Tune**.

Key word 'consider'

The Government will review its lobbyists' register and code of conduct, and will consider tightening the ban on former ministers lobbying Government while extending the register to government relations practitioners and law and accountancy firms, the *Financial Review* reported.

Twisted

In the Government Business section of the Financial Review, Verona Burgess wrote that the Government's capacity to play 'Twister' with public service structures to suit political exigencies has reached a new level of absurdity. It would be a pity if they were contorted even more by whatever Commonwealth administrative arrangements were put in place for the proposed health reforms. First, the move of the Environment staff involved in running the Home Insulation Program to the Department of Climate Change is nonsense on several fronts. It is disruptive administratively and physically and is also costly. Administrative structures can make a big difference.

She's a natural

Labor insiders have predicted the New South Wales Right would block **Julia Gillard's** ascension to leader of the party and prime minister, as the Coalition sought to exploit the speculation over the top job. While one backbencher said the Deputy Prime Minister was 'naturally' in line to take the leadership, others said the talk was getting out of hand and her position on the Left would prevent her rise, the *Financial Review* reported.

Good (top) dogs

Canberra's top bureaucrats have offered their frank and fearless assessments of the challenges of getting along with their political masters in a series of interviews with the remuneration tribunal, *The Age* reported. Public service mandarins said that secretaries of federal government departments often had to manage illegal and inappropriate directions from ministers. The private interviews were conducted in 2008 and a summary of their content by remuneration consultant **John Egan** was released at the end of March this year.

Integrity barometer drops

The Government has dumped one of its key integrityreforms, sidelining the Auditor-General from policing taxpayer funded advertising campaigns. The Government revealed it would undo a policy change from 2008 that required the Auditor to clear campaigns with budgets of more than \$250,000. In the lead up to the election, big budget campaigns will now be monitored by a committee comprised of former senior public servants. Auditor-General Ian McPhee's role will be restricted to auditing campaigns once they have been broadcast - not reviewing them beforehand. McPhee criticised the decision, saying it will not deliver the same level of integrity for taxpayers, The Age reported. An editorial in the same paper asserted that in sidelining the Auditor-General, the very person who exemplifies independence and transparency. the Government is in effect illustrating Rudd's original fears about undermining democracy. On its opinion pages, national affairs correspondent Katherine Murphy wrote that dumping McPhee is more than a bad look; it is a spectacular backflip when you consider Labor's pre-election posturing.

Protecting the whistler

Public servants who go to the media to blow the whistle about public health and safety concerns, corruption, misconduct and the waste of taxpayers money will be protected from prosecution by proposed new laws, the *Herald Sun* reported. A whistleblower who has an honest and reasonable belief about a wrongdoing will also keep the protection even if they are wrong. The proposed changes unveiled by Special Minister for State **Joe Ludwig** go further than the protection suggested last year by a parliamentary committee report. Ludwig said the whistleblower's motive will not be relevant, the law's purpose is to protect them

from being victimised at work. They will not be protected for general leaking or complaining about policy decisions. There is no coverage if they blow the whistle on intelligence related information or pass information to a foreign government official.

Up she goes

Future secretaries of federal government departments can look forward to higher pay after the remuneration tribunal declared their responsibilities compared with those of private sector chief executives. The total annual remuneration of the secretaries of the Department of Prime Minister and Cabinet, Treasury and Defence is more than \$503,000, while other secretaries get nearly \$471,000. The tribunal recommends that the number of secretaries on the top rate be expanded, *The Age* reported.

Carney comment

On the opinion pages of *The Age*, that papers associate editor **Shaun Carney** wrote that when five Cabinet ministers came out to condemn **Tony Abbott** at a press conference the Government's intentions became clearer: a double dissolution election will be held within six months. But it could, of course, opt for a conventional election of the lower house and half the Senate, but what would be the point? In a different article, **Carney** observed that a lack of emotion marked **Kevin Rudd's** rise, and he has failed to win voters hearts because of it.

Symbolism only gets you so far

The Government has provided a 'pittance' to the stolen generations and has failed to do anything practical to help Aboriginal people removed from their families, says the former head of the intervention task force **Dr Sue Gordon**.

The palette

The Greens are preparing an image makeover in a bid to dispel stereotypes of the party. With only months to go before the Victorian and federal elections — in which the Greens have a strong chance of winning key Labor seats — the party is working on a new strategy to broaden their appeal and counter negative attacks from the major parties, *The Age* reported.

Upside down down there

Labor Premier **David Bartlett** was told by the Tasmanian Governor, **Peter Underwood**, to test his strength in Parliament, resolving an election that returned at 10-10tie for Labor and the Liberals, and five Greens in a balance

of power. Bartlett went to the polls saying he had no level of trust in Greens leader **Nick McKim**, and pledging that Labour would under no circumstances make any deal with the Greens, *The Age* reported.

In his slippers

Mobile phone cameras could be banned from the floor of Federal Parliament after Liberal Queensland MP **Peter Slipper** was caught on camera apparently dozing off. Slipper demanded the mystery photographer (obviously one of his colleagues) be hunted down. He also asked that the rules of parliamentary privilege be hardened. Labor's **Anthony Albanese** moved that the privileges committee should study whether rules should be adopted to ensure the use of mobile devices did not interfere with Parliament 'or with the free performance by a member of his or her duties,' *The Age* reported.

Presidential ambitions

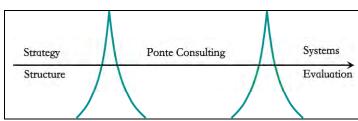
Former Opposition leader **Malcolm Turnbull** laid out a process for achieving a republic, saying the first step should be a non-binding plebiscite asking people how a president should be chosen, *The Age* reported. Turnbull, 56, has since announced he will not run for his seat of Wentworth at the next election, opting to resign from parliament and reignite his business career.

Strengthening democracy

The Age reported that the Government will introduce laws strengthening compulsory voting and making the voter registration system less cumbersome. The changes will allow voters to update their details on the electoral roll online, and would eliminate identity requirements for provisional voters. At present, identity checks are required before provisional votes are counted in elections. More than 27,000 votes were not counted in the last federal poll because the identity tests were not met.

They prefer the surname

New South Wales Labor MP **Belinda Neal** has lost a preselection vote to contest her seat of Robertson on the New South Wales central coast at the next federal election. Newcastle University lecturer and local resident **Deborah O'Neill** won the vote 98 to 67, *The Age* reported. Her departure will put a new slant on Labor's attempt to hold the seat, Australia's most marginal. The party would lose the seat with a 0.1 per cent swing.



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Fielding told them a thing or two

The 11th annual **Science meets Parliament** event brought 160 scientists to Canberra for face-to-face time with the country's ministers, MPs and senators. It ran for two days in the middle of March.

INDUSTRIAL RELATIONS. EMPLOYMENT

It begins again

The ACTU has begun its political campaign ahead of the federal election with television advertisements that target the pledge by Opposition Leader Tony Abbott to make changes to workplace laws if the Coalition is returned to power. The advertisements recycle the worried working mother, 'Tracy', who made a big public impact before the 2007 election, followed by a recording of Abbott saying that 'the phrase Work Choices is dead'. ACTU president Sharan Burrow argued that Abbott, a Minister for Workplace Relations in the Howard government, was a key figure in the development of Work Choices, the Financial Review reported. On the opinion pages of the same paper, Pamela Williams wrote that Deputy Prime Minister Julia Gillard's challenge is to ensure union issues don't disrupt the Government's reelection campaign. The Age reported that the ACTU's most senior strategist. Cath Bowtel. who was instrumental in the Your Rights at Work campaign that helped the 2007 election of the Labor government, announced her resignation. Bowtell had been the ACTU's favoured candidate to take over from President Sharan Burrow, who is likely to step down this year to take on the top job with the International Trade Union Confederation in Brussels. But incoming president Ged **Kearney**, the head of the Australian Nursing Federation, gained greater support from left-wing unions, which traditionally decide the incumbent, after a divisive nomination campaign.

Ironing out the chinks

The Government will seek to overturn a Fair Work Australia ruling that employers fear will give unions unrestricted access to workplaces. Julia Gillard announced that the Government would back an appeal by the Australian Industry Group against the tribunal's decision that would allow powerful unions to largely take right-of-entry provisions in the Fair Work Act 'out of play', The Australian reported.

Done a hamstring

The Government and employers will seek to overturn a Fair Work Australia decision that found flexibility provisions in Labor's federal workplace laws cannot be used to vary the terms of an enterprise agreement. The Australian Industry Group warned that the decision created a great deal of uncertainty and threatened the validity of flexibility

clauses already struck in workplaces. Under the Fair Work Act, a flexibility clause, known as an individual flexibility arrangement, must be included in all new enterprise agreements. Workplace Relations Minister Julia Gillard committed the Government to the clauses after business leaders expressed concern that the abolition of Australian Workplace Agreements would result in a loss of flexibility. Gillard said she had decided to seek a review of an aspect of the decision by Commissioner John Ryan, The Australian reported.

Correct pay

The workplace ombudsman will target big employers and franchisors in a crackdown on breaches of the Government's new industrial relations regime to ensure staff are getting their correct pay and entitlements. A new branch is being established within the Fair Work Ombudsman's office to investigate suspected breaches of the Fair Work Act among the nation's biggest employers, the Financial Review reported. The Australian reported the Fair Work Ombudsman Nicholas Wilson announced he intends to write to almost 50,000 retailers across the country to check they are paying workers correct minimum rates of pay, penalty rates, loadings and allowances. Fair Work inspectors will randomly select 1,500 retail outlets which will be asked to supply employment records for audit.

Women's pay

The Australian Services Union pushed for an average 30 per cent pay rise as part of the most significant test case for women's pay in decades. They asked for a variety of wage rises across Australia, but their assistant national secretary **Linda White** said claims would not exceed 30 per cent, *The Age* reported.

Rough stuff

The Age reported that two senior building union officials face court after being charged with assault and other offences following an alleged incident at a Carlton (in Melbourne's inner-north) building site a year ago. The charges are being strongly denied by the union but are the latest blow to the Construction, Forestry, Mining and Energy Union's campaign to have the building industry watchdog abolished. Police confirmed that CFMEU assistant secretary John Setka, widely tipped to be the next secretary of the union, faces five charges including two of assault and two of obstructing and intimidating a Commonwealth public official.

After farmers

The Government has been urged to spend \$240m by Skills Australia, its advisory body on skills and workforce, on a six-year workforce renewal strategy for the tertiary education sector, which has the nation's second oldest workforce after the farming sector, the *Financial Review* reported.

A hard harmony

The Financial Review reported that the model act released by Safe Work Australia aims to implement a uniform approach to occupational health and safety laws across the country. But structural differences among state regimes threaten to derail the Federal Government's proposed harmonisation.

CLIMATE CHANGE, ENVIRONMENT, ENERGY

Correct information

The CSIRO and the weather bureau released the State of the Climate document, a snapshot of Australia's climate data, observations and predictions. The traditionally apolitical organisations have weighed into the debate on the basis that Australians are not being given correct information about temperatures. rainfall, ocean levels and atmospheric changes. They have recently been attacked by climate change sceptics. State of the Climate strongly suggests climate change is the result of human activity, the Herald Sun reported. CSIRO chief executive Dr Megan Clark said that both organisations felt the point had now been reached to give Australians 'the facts and information they are looking for and to do so in a way that is very transparent and available'.

An independent review

The UN has launched an independent review of its Intergovernmental Panel on Climate Change in the wake of controversies, including a series of incorrect claims in its landmark 2007 report and doubts about the scientific rigour the panel applied to reach some of its conclusions. UN Secretary-General Ban Ki-moon and IPCC chairman Rajendra Pachauri said they had formally asked the Inter-Academy Council — an umbrella group of 15 leading science academies, including the Australian Academy of Science — to conduct an independent review of the IPCC's procedures, *The Australian* reported.

Makes an interesting point

The Director of the Copenhagen Consensus Centre, Bjorn Lomborg, wrote that for the better part of a decade he has upset many climate activists by pointing out that there are far better ways to stop global warming than trying to persuade governments to force or bribe citizens into cutting their reliance on fuels that emit carbon dioxide. We are not facing Armageddon and fixing climate change should not cost the earth, he writes in The Australian. He cites biofuel requirements as a salutary lesson about panicking and making the wrong choices in response to global warming. Rather than helping reduce emissions, the artificially inflated demand for ethanol, and for the corn to manufacture it, wound up driving up food prices (which pushed about 30 million poor people into



Glen Eira Council Australia Day Breakfast

'Change is needed by all'

by

Gary Morgan Executive Chairman Roy Morgan Research Originally presented January 22, 2010



Governor Arthur Phillip and British military (19 officers and 191 marines) with convicts (717 including 108 women) founded Australia on January 26, 1788.

http://members.iinet.net.au/~perthdps/
convicts/1stfleet.html

From 1788 there were over 3,000 convict sites established in Australia – nothing to be proud of!

It took more than 100 years for Australia's convict involvement to finally end with the 1886 closure of the Fremantle convict prison. So why are we celebrating Australia Day today? If we need a day to celebrate our 'foundation' as a nation then it would be better to celebrate Eureka Day, December 3, 1854.

In June 1790 John Macarthur (1767-1834), a Lieutenant in the New South Wales Corps, and his wife, Elizabeth (1766-1850), and sickly child arrived in the Colony of Port Jackson aboard the Second Fleet after a journey of 6 months.

John Macarthur's life was full of controversy involving major disagreements with the Governors of the Colony. He was involved in forcing the departures of Governors Arthur Phillip (December 1792), John Hunter (1795-1800), Philip King (1800-1806), William Bligh (1806-1808) and Lachlan Macquarie (1810-1821).

John Macarthur spent many years in England involved in two English court martials. He spent 4 years (November 1801-1805) contesting his own court martial; then leaving the Colony in March 1809 for 8 years in England initially supporting Major George Johnston at his court martial for his role in the Rum Rebellion which resulted in Governor Bligh's deposition.

By breeding pure merino sheep John Macarthur was responsible for the initial growth in the Colony's fine wool industry. Because of his pure merino sheep monopoly he was despised by many other wool growers.

John Macarthur's fellow pastoralists judged him much less flatteringly than popular history has done. After John Macarthur's death in April 1834 there was scarcely a notice in the Sydney papers and no memorials. This

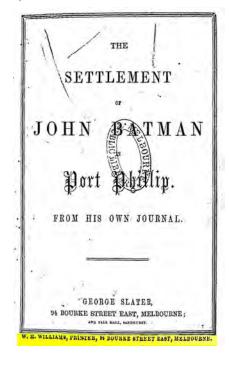
was despite fine Merino wool then being Australia's major export and about 2 million sheep in Australia.

In 1831 NSW's population was about 51,000 of whom 21,000 were convicts. In 1837, the population had increased to about 97,000 with 32,000 convicts. Most of the 65,000 free settlers were either in the military or had been in the military or been convicts.

With the 1838 British abolition of slaves in all colonies many countries such as the United States and Jamaica became less attractive to English farmers. Australia's access to cheap labour, with a steady flow of released convicts, made the Australian Colonies a more attractive destination than the United States for farmers wanting to make a new life on their own land.

Victoria was first settled on November 19, 1834, when Edward Henty (aged 24 years) arrived at Portland Bay.

Officially Melbourne, founded 1835 by John Batman and the Port Phillip Association, was not a convict settlement. In November 1836 the District of Port Phillip's European population was 324, by 1839 the District's population numbered 5,822 (Melbourne's about 3,000) and by 1840 10,291 – a significant increase partly assisted by 'Bounty' immigrants, a scheme abandoned in 1841. At the March 22, 1841 census Melbourne's population was 4,479 – 2,676 males and 1,803 females.



During the 1840s the Port Philip District accepted many ex-convicts from Van Dieman's Land and shipments of convicts with conditional pardons from Britain. They laboured on public works, in spite of opposition from the new Melbourne Town Council (founded December 1842, Mayor Henry Condell); others were sent to work on pastoral properties beyond Melbourne.

By 1844, apart from the squatters, most settlers involved in the Port Phillip District commerce and trade were strongly opposed to accepting convicts. Despite this the British Home Government wanted to still 'foist a semi diluted felony upon the district, in the form of conditionally pardoned convicts from the penal depôts in England'. (Garryown, Page 908). In addition Garryown (Page 907) 'explains' that by 1844 the English dominated administration in Sydney had imposed property taxes in and about Melbourne which caused great concern.

By 1850, within 15 years of settlement, about onequarter of the men in Port Phillip were ex-convicts.

Since Melbourne was founded in 1835 there have been three major political events which have shaped the State of Victoria and Australia to make it what it is today:

- 1. Separation of the Port Phillip District (Victoria) from New South Wales July 1, 1851 the Separation Association (formed June 4, 1840) was strongly opposed to convict labour and convict settlement, and English military administration from Sydney,
- 2. The Eureka uprising in the Victorian goldfields, December 3, 1854, and subsequent 15 'Not Guilty' verdicts involving the Melbourne legal establishment many of whom had been vocal supporters of the Separation of the Port Phillip District (Victoria) and opposed to the oppressive English military administration, and
- 3. Federation of Australia, January 1, 1901 making it possible for Australian's democracy which is today run from Canberra Australia's greatest self-made disaster. (I first went public on the issue of Canberra as the Federal Capital on March 3, 1998 at The Melbourne Convention Federation: into the Future in my paper:

 The Asian Crisis means we need major change for Australia if not, we need to destroy the Federal System of Government as we now know it and start again! http://www.roymorgan.com/news/papers/1998/19980601
 I am pleased former Prime Minister Paul Keating now agrees with me it took him a while, however better late than never!

It was the Victoria's gold discovery at Clunes in June 1851 which changed forever Australia and the small rural Victorian community, with thousands of young people, mainly men and many ex-convicts, flocking to the goldfields around central Victoria from all parts of the world. Victoria was a male dominated society with employment opportunities for women limited to domestic services, shops, schools and hospitals.

The First Ninety Years describes 1850's Victoria as follows:

http://www.roymorgan.com/resources/pdf/papers/20070801.pdf

"The roads were anything but safe for solitary travellers...and crimes against persons and property were frequent enough at the goldfields, but when one remembers the vast influx of immigrants; the inefficiency of the police force; the feeling of unrest developed when a large number of people abandon their usual pursuits for such an occupation as gold-seeking; and the crowds of ex-convicts who made their way from Tasmania and New South Wales, one is struck with admiration and astonishment at the peaceable manner in which most of the cosmopolitan arrivals settled down as colonists."

Following Victoria's gold rush and the subsequent 15 'Not Guilty' Eureka verdicts in the Victorian Supreme Court, Melbourne boomed with a large, in some instance trained, labour pool eager and willing to create real wealth – some would say a very different Australia and Victoria than we have today!

Melbourne, with New York and Paris, in a short number of years was created as one of the great cities of the 19th century. Melbourne's population in 1850 was 20,500 by 1880 it was 281,000.

Today we are not one of the world's great cities, although a great place to live and visit for a holiday! So where does Melbourne and Australia go today?

Yesterday we released our weekly Roy Morgan Consumer Confidence rating, in a week it is up 1.1 points to 130.0 the highest since February 2005. http://www.roymorgan.com/news/polls/2010/999/

We also released our latest Morgan Poll showing the Rudd Government leading well in our latest Morgan Poll – ALP 58.5% L-NP 41.5%, an ALP landslide! http://www.roymorgan.com/news/polls/2010/4463/

Australia is booming thanks to China's demand for our minerals, in particular iron ore and coal. **But all is not well**, while the Australian Bureau of Statistics (ABS) says we have 5.5% unemployed **Roy Morgan says the figure is 6.8%** – that is not all, 8.2%

are underemployed – so the 'lucky' country has 14.9% (1.706 million) Australians in the workforce unemployed or underemployed – far too many. http://www.roymorgan.com/news/polls/2010/4454

A fact ignored by Prime Minister Rudd and Deputy Prime Minister Gillard. We are a 'stupid' country to tolerate such a high unemployed and underemployed number while our mineral exports are 'booming'.

On Monday January 18, 2010, a special Roy Morgan

survey was published which showed Australians are evenly divided on the BHP Billiton/Rio Tinto iron ore merger in the WA Pilbara Region.

http://www.roymorgan.com/news/polls/2010/4461/
Slightly more Australians agree (44%) than disagree (39.5%) that BHP Billiton and Rio Tinto should be able to merge their Iron Ore operations in Western Australia while 16.5% can't say. (These results are according to a special Roy Morgan telephone

survey with an Australian wide cross-section of 659 respondents aged 14+ conducted on the nights of

January 13/14, 2010.)

The Roy Morgan survey asked: "In recent months Australia's largest mining companies, BHP Billiton and Rio Tinto, have proposed merging their iron ore mining operations in Western Australia to create a joint venture covering all current and future Australian iron ore mining assets of the two companies. In your opinion should BHP Billiton and Rio Tinto be allowed to merge their iron ore mining operations in Western Australia?"

The political 'sleeper' for those wanting this merger to go ahead is 'foreign ownership' and the sheer size of the combined entity and associated reduction in competition. The following are examples of some of the comments.

- "It would become a monopoly, creating a lack of competition."
- "Because of the virtual monopoly they will have."
- "It will become too much of a monopoly and that makes me worried."
- "I don't like things being joined together as one. I think there needs to be competition for things to be fair."
- "I don't like things being in just a few hands."
- "It will become more of a monopoly and it wouldn't be good for the economy."

Change is needed by all – Local Government, 'yes' the Glen Eira Council, the Melbourne City Council, the State Government and the Federal Government.

We need fewer and overall lower taxes NOT more taxes or overall higher taxes – put up the GST but only if payroll tax and other taxes that discourage employment

are abolished – it is essential to create more jobs,

We need to change 'work practices',

'Fair Work' needs to be 'Fair Choice',

We need to stop the cash society,

We need to stop corporate rorts,

We need massive infrastructure expenditure on ports, roads and railways,

We need to export finished goods – from many new industries, etc

The BHP Billiton/Rio Tinto merger must **not** go ahead unless their duopolistic control of the railways and ports in the Pilbara is made an independent authority – then all Australians will benefit from the merger not just the BHP Billiton/Rio Tinto shareholders, employees concerned and higher taxes.

And at the same time the Federal Government needs to cut out the union supported labour market (IR) 'rorts' which keep holding Australia back – if not unemployed and under-employed in Australia will soon be 3 million.

If neither is done Australia's boom will soon be over, like the initial boom in merino wool which began more than 200 years ago and today is an industry which makes only a relatively small contribution to Australia's economy!

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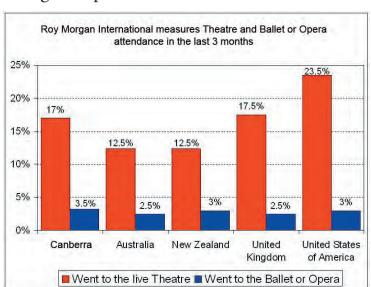


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the ranks of the malnourished). It also ate up more arable land, which led to the destruction of rainforest and created a situation that will result in more CO2 emissions over the next 100 years.

They'll chip in a tenner

The Australian reported that the \$100m global Carbon Capture and Storage Institute, charged with speeding development and take up of clean coal technology, has attracted more than 200 of the world's biggest economies and companies as members. But to date their only financial commitment is to guarantee \$10 if the institute goes broke. A spokeswoman for Kevin Rudd said it was anticipated CCS technology would be discussed during the US President's mid-year visit to Australia. Dale Seymour, the institute's senior vicepresident of strategy, said the fact that 30odd national governments and some subnational governments are members is a great indication of support for the institute.

Newman

The chairman of the Australian Broadcasting Corporation, Maurice Newman, has told some of his most senior staff that they had succumbed to 'groupthink' in their reporting of climate change. In what is being read by ABC staff as an attack on them. Newman said the media had accepted issues at face value and had suppressed the voices of climate change sceptics. It is not the first time that Newman, who describes himself as a climate change agnostic, has provoked controversy. His most scathing criticism, at the ABC's annual leadership conference, was reserved for his own organisation, which he believes had failed to let climate change sceptics have their say, *The Age* reported.

Small, pragmatic steps

In *The Age*, environment reporter **Adam Morton** wrote that after the disappointment of Copenhagen there is a growing mood it was not the total disaster it first seemed. The next big climate meeting, in Mexico, is expected to focus on small, pragmatic steps rather than grand gestures. Nevertheless, Climate

Change Minister **Penny Wong** has indicated the Government will look outside the United Nations negotiating group to find effective ways to tackle climate change. As diplomats gathered in Germany for the first UN climate meeting since the Copenhagen conference in December, she said the Government remained committed to the 192-nation talks and the Copenhagen Accord.

More detail

Scientists have found camels to be the third highest carbon-emitting animal per head on the planet, behind only cattle and buffalo. But Climate Change Minister **Penny Wong** said there was little point doing anything about Australia's feral camels as only the CO2 of the domesticated variety is counted under the Kyoto protocol.

Getting rid of the humps

The Opposition is considering declaring war on camels as part of its climate change policy, arguing that the desert pest is responsible for more emissions than the exhaust of 300,000 cars. When the Government earmarked \$19m for a camel cull in July, it sparked international curiosity, but the Coalition wants to take it up a notch and decimate the million strong camel population in the name of the environment, the *Financial Review* reported. Nearby, the Management of Feral Camels Project seeks a national project director, www.hender.com.au.

Comparing feral flatulence

The most comprehensive analysis of greenhouse emissions of livestock and Australian feral and native animals has shown kangaroos to be the most benign emitters, while emus do considerable climate warming and camels (see above) are among the worst offenders. The study by veterinarian scientist **George Wilson**, who heads the Canberra consultancy Australian Wildlife Services, collated and analysed data from several sources to produce the most wide-ranging table of animal gas emissions, *The Australian* reported.

The incredible achievements of the human race

An organisation, founded by prominent Liberal Senator **Cory Bernardi**, promoted an anti-Earth Hour event, and urged people to turn on the lights in defiance of the climate awareness movement. Organisers of the 'Human Achievement Hour' encouraged households to go about their normal business during Earth Hour (from 8:30pm on Saturday, March 27) to recognise the incredible achievements of the human race, *The Age* reported.

Brownouts

The Government has shelved its plans for a national energy policy blueprint for Australia's energy needs because of uncertainty about the emissions trading scheme and the cost to electricity generators of cutting carbon emissions. The delay adds to uncertainty about the required \$100b in investment necessary to avoid electricity brownouts. Electricity generators and the Coalition demanded the Government abandoned its proposed Carbon Pollution Reduction Scheme and produce a national energy plan as promised, *The Australian* reported.

Big work

Australia will conduct the world's first continent wide environmental survey, following Environment Minister **Peter Garrett's** launch of a \$10m scientific program near Coffs Harbour. The program, which will take three years to complete, aims to identify hundreds of native species and will be used to help set national targets to halt the extinction of plants and animals, *The Age* reported.

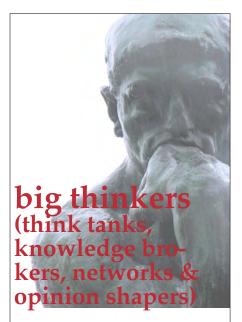
Accelerator science

The Financial Review reported the Federal Parliament's public works committee is holding an inquiry into proposed extensions to the Australian Nuclear Science and Technology Organisation facility at Lucas Heights in Sydney's south. The \$62.5m project would include a building for the Centre for Accelerator Science to enhance research into climate and environmental science, nuclear safety and forensics.

BROADBAND. IT. INNOVATION

At last

The Australian reported Communications Minister **Stephen Conroy** finally agreed to release the implementation study on the national broadband network, and claims the 500-page report will back his claim that the Government can build the multi-billion-dollar project without Telstra. Conroy responded to political pressure from Coalition and Greens senators by announcing he would make the entire study by McKinsey and KPMG public before the Budget in May.



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

Big Thinkers is the only comprehensive and accurate guide to think tanks, thinking/ideas organisations and opinion shapers in Australia.

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Ducts and pipes

In The Age, Ian Verrender wrote that behind all the politicking, the threats, the arguments about 'complexity', Telstra's future gets down to a single issue: how much? How much would it accept for handing over its existing fixed line infrastructure to the national broadband network? The most valuable components from the NBN point of view are the ducts and pipes that will make it easier to lay the new fibre-optic cable through to households. The Australian Competition and Consumer Commission valuation of those pipes was \$3.9b, while the copper line itself was valued at \$2.7b. On Telstra's analysis, its ducts and pipes alone are worth \$15b. There is an argument Communications Minister Stephen Conroy would do better to go it alone at that figure. STOP PRESS: An end to the tussle between the Government and Telstra over the value of Telstra's telecommunications infrastructure is in sight, with Conroy saying the parties will soon reach a conclusion or break of negotiations.

They should do it over the phone

The Australian reported that as the Conroy and Telstra discussions continue to dominate the public focus on the \$43b national broadband network, behind the scenes, relations between Conroy's department and the project's operating body NBN Co, are believed to have deteriorated, particularly over the future delivery of broadband services via satellite. This is understood to have resulted from a move by NBN to take over, on an interim basis. the supply of satellite capacity for delivering broadband services to about 90,000 customers in remote areas. This service is currently subsidised by the Government under the Australian Broadband Guarantee, but under the NBN proposal it would become the sole provider of wholesale satellite capacity for these remote areas, which it would then on-sell to retail service providers.

Nearby

Telstra's second largest shareholder, the Australian Foundation Investment Company, has positioned itself to lead an investor revolt against the Government's national broadband network. It warned Telstra shareholders not to be shortchanged by selling the telecommunications company's fixed line business to the government's network at a knockdown price, *The Age* reported. The Greens look set to oppose legislation to force the split of Telstra, winning the telco valuable breathing space in its negotiations as Parliament deferred a split of the company's operations. And now Optus is supporting Telstra against NBN Co.

Green Fields disagreement

Family First Senator **Steve Fielding** told about 100 Telstra shareholders in Melbourne he would not support forcing Telstra to split into wholesale and retail arms while talks between

the telco and the government continued. But, under questioning from shareholders, he declined to say what his position would be if talks broke down, the *Herald Sun* reported.

Adie

The head of Telstra's BigPond, **Justin Milne**, the executive charged with driving its media expansion and broadband content delivery, quit at the end of March. His departure sparked concerns of deeper unrest within the telecommunications company. His departure is a big blow to the company because he represented the new-media face of Telstra—the very part of the company that will drive its future, either against or with the national broadband network, *The Australian* reported.

Nothing but a pamphlet

The Financial Review reported that senators dismissed a seven-page CSIRO report into the national broadband network as a pamphlet that failed to make a convincing case for the nation's biggest infrastructure project and raised questions about the quality of the evidence used to decide on the policy. The Senate delayed a vote on the broadband reform.

Can't scramble them either

NBN Co has been banned from actively poaching key executives from its 'potential customers', including Telstra and Optus. In an unprecedented move, the NBN Co has also pledged to voluntarily inform an applicant's employer should they want to jump ship, The Australian reported. Australia may need to look overseas for expertise for its huge infrastructure project. Nearby, enterprise system vendors should not expect a multibillion-dollar bounty from NBN Co as the national fibre network wholesaler acquires its technology systems. After announcing the company's \$23m contract for human resource systems with Accenture, chief operating officer Kevin Brown said the company had estimated the cost of its enterprise systems in the hundreds of millions, rather than the billions often spent by tier-one retail telcos. NBN has the luxury of starting from scratch for its enterprise IT and doesn't have the burden of integrating hoary old legacy systems. As a wholesale-only operation, it also doesn't have to track and bill millions of retail customers. as the major telcos do.

Their own chairman

The new chairman of NBN Co is dual American and Australian citizen **Harrison Young**, 65. It is a role that will earn him \$185,350 a year. The appointment came as Communications Minister **Stephen Conroy** announced the network implementation study would be made public before the budget on May 11. Young's background is in finance, serving as a director of the Commonwealth Bank and previously serving as the chairman of Morgan Stanley in Australia. He is also chairman of the local subsidiary of Better Place, the global

electric vehicle services provider. He moved to Melbourne permanently in 2003, *The Age* reported.

Surprise

Telstra has told developers that it has immediately stopped installing copper phone connections in greenfields developments because of a Government requirement for fibre-optic cable in new housing from July 1. Stephen Albin, the head of the Urban Development Institute of Australia, New South Wales, the largest group representing developers of new housing projects, said the decision caught many developers by surprise, The Age reported. The Financial Review reported that the property industry has urged the Government to delay the proposed laws that could add \$500m to annual housing costs by forcing new developments to install the cables that can be connected to the national broadband network. Communications Minister Stephen Conroy said Telstra was obliged by law to connect new homes to standard telephone services, but the company stood by its decision to force property developers to switch to more expensive fibre-optic cable.

Intelligent works

The *Financial Review* reported that the general manager for intelligent networks at Energy Australia, **Adrian Clark**, criticised the approach taken by NBN Co to try and gain use of his utility's infrastructure when installing the NBN. He told the National Smart Grids Forum that rather than attempting to extort co-operation from providers, NBN Co should be working with them.

Philosophically open

The Government will go it alone to implement a radically centralised data centre purchasing plan to save up to \$1b from projected computer infrastructure hosting costs over the next 15 years. The opposition says the target is farcical. The new regime will force Commonwealth agencies to buy core infrastructure from an approved panel of suppliers. The decision by Canberra to restrict the extension of its technology purchasing power in effect has buried plans to counter nationwide savings from government infrastructure sharing. Finance Minister Lindsay Tanner previously had indicated the Commonwealth is keen to work with the states to reduce the duplication of expensive computing infrastructure assets that could be shared to reduce the overall burden to taxpayers. Tanner said that while the Government remained philosophically open about the business of infrastructure sharing projects with the states, the scale of reform to federal data centre purchasing meant the Commonwealth had to put its own needs first. He said 'we want to satisfy ourselves that everything is in robust shape and on track within our own backyard before infrastructure sharing becomes a feasibility', the Financial Review reported.

Seems logical

The Australian Communications Consumer Action Network has urged the Government to allow people to remain on the Do Not Call Register permanently rather than having to apply every three years. More than 1 million people signed up to the list when it started in May 2007, meaning their three-year listing will expire this year. Similar registers in Britain, the United States, Spain and India allow permanent registration. The three-year expiry period for numbers on the register was introduced because of the volume of people who move house, obtaining a new number and letting new occupants inherit theirs. According to figures from the Australian Direct Marketing Association, about 10 per cent of phone numbers are disconnected each year, The Age reported. The Financial Review reported that a proposed amendment to the Do Not Call Register Act will extend the register to include all Australian business phone and fax numbers. Under the amendment, small companies will not be able to call a business to promote, advertise or propose to supply goods, services, land and business or investment opportunities if that business's number is on the register and where there is no prior consent or ongoing relationship. The Herald Sun reported that the Council of Small Business Organisations of Australia, COSBOA, believes having small businesses on the register would damage their profitability.

Elementary my dear Watson

Kim Carr warned the Australian book industry it must embrace the e-publishing revolution that is changing the way consumers read and buy books, *The Australian* reported.

Little bang

The Large Hadron Collider is finally up and running successfully, with the world's largest physics machine finally managing to smash some subatomic particles together. Colliding head-on travelling at the speed of light around the 27 kilometre ring, located 100 metres underground on the France-Switzerland border, two pairs of protons shattered silently

inside the apartment-building sized detector, *The Age* reported. **Geoffrey Taylor**, from Melbourne University, coordinates Australia's participation in the colliders ATLAS detector, one of four detectors located around the ring. Professor Taylor has been part of the project for 20 years.

On the way. NBN jobs

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BUSINESS. ECONOMY. TAX

lf

Prime Minister Kevin Rudd has promised that state premiers will be no worse off from any reforms that flow from the Henry tax review as he battles to overcome major objections to his \$90b health system reform, the Financial Review reported. The Australian reported a moment which, in the annals of political incivility, will rank alongside Mark Latham's power handshake with John Howard in 2004. During a picture opportunity before talks with Kristina Keneally at her Sydney office, Kevin Rudd pointedly refused to look at the New South Wales Premier as she offered him a warm welcome. As Keneally spoke, Rudd stared down at his folder. He then looked up and, without meeting her gaze, said curtly: 'Let's get on with some health reform.' 'Right,' said Keneally, clearly abashed.

Nearhy

On March 16, *The Australian* reported that Rudd's personal approval rating was at its worst since he became opposition leader in December 2006.

International money markets rule

Westpac Banking Corp's chairman and former head of Treasury, **Ted Evans**, cautioned that Australia might have witnessed a permanent shift in the driver of interest rates on loans and deposits from the Reserve Bank's cash rate to international wholesale money markets, the *Financial Review* reported.

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Opening the vault

Reserve Bank boss **Glenn Stevens** is a guitar playing churchgoer and pilot whose wife collects bank notes with his signature on them, *The Australian* reported. Australia's central banker opened up about his strong Christian faith and said that the global financial crisis was the result of human greed and fear. Nearby, the Reserve Bank raised the interest rate .25 per cent to 4.25 per cent. Many economists are predicting a few more rate rises this year, the *Herald Sun* reported.

Top heavy

The Financial Review reported that Future Fund chairman David Murray has raised concerns about the risks to the national economy of Australia's top-heavy banking system, which has become even more concentrated as a result of the bank guarantee that ended at the close of March. 'Ideally, there should be a large number of smaller banks who are still sizeable enough to perform sophisticated intermediation of credit through the economy,' he said.

Have you heard the good news

The economy created a record number of jobs in December and signs grew that unemployment may have peaked, handing the Government good news in an election year. The total number of people in work grew by 35,200, three times more than economists had expected, the *Financial Review* reported.

Out of town

Two top executives at the Reserve Bank's note printing business are under police investigation over its dealings with foreign officials left the company on the same day a report highly critical of their conduct was released, *The Age* reported.

Keep stimulating

As preparations for the May 11 budget intensified, the Australian Industry Group has urged the government to resist calls to speed up the withdrawal of its fiscal stimulus. In addition, the Ai Group's budget submission says the Government should undo controversial changes to restrict access to research and development tax concessions, the *Financial Review* reported.

Phoenix free of debts

The Australian reported that thousands of small businesses could be forced to put up a security deposit to the tax office under government draft laws meant to target foreign taxpayers and shonky operators of Australian 'phoenix' companies. Giving the tax office the power to demand a security deposit from businesses will force many operators to borrow funds. cutting their working capital, and creating an additional financial burden. The Government estimates phoenix activity - deliberate and systematic liquidation of a company to avoid the payment of liabilities, and the phoenixlike rising of the business through another company free of debts - cost the tax system up to \$600m a year. The new provisions in the Tax Laws Amendment (Transfer of Provisions) Bill 2010 will give the tax office powers to demand security deposits from legitimate businesses and expand coverage to all taxes. including superannuation guarantees and GST payments. The size of the security deposit, in the form of cash, a bond, a mortgage over property or a quarantee – or any other means deemed reasonably appropriate by the tax office - has not been specified.

Dawks happy

Former Treasurer **John Dawkins** has backed the Government's move to impose more detailed conditions on recent approvals of Chinese investment, saying they had improved the business climate, the *Financial Review* reported.

Prices and profits

In *The Australian*, **Sarah Jane Tasker** wrote that Australia's competition regulator has significantly widened the scope of its probe into the proposed \$127b merger of BHP Billiton and Rio Tinto's Pilbara iron ore assets, raising concerns the miners may manipulate the supply of iron ore to increase prices and profits.

A broader range of professionals

Financial planners, company accountants and fund managers have lobbied Assistant Treasurer **Nick Sherry** for exemptions from new laws that impose higher professional standards and tough penalties on tax advisers. They claim the new rules catch a broader range of professionals than intended. The government had previously excluded in-house tax advisers of wholly owned corporate groups and auditors of self managed superannuation

funds from the laws but Senator Sherry has now indicated others, too, are likely to win exemptions, the *Financial Review* reported.

A super month

Superannuation service providers have accused the government of failing to heed industry warnings that it is underestimating the technological complexity of setting up a free superannuation clearinghouse service for small businesses and runs the risk of a cost blowout. The Government initially consulted superannuation service providers, but in a surprise announcement last November it said its superannuation clearinghouse service for small businesses would be delivered through Medicare, the Financial Review reported. The Government had committed \$16.1m to the project in the 2008-9 budget, fulfilling one of the Labor Party's election commitments. But the private sector's experience in establishing a superannuation management system showed the final cost was likely to be about five times the government allocation. said Craig Osborne, managing director of a payroll and workforce management software supplier Sage MicrOpay.

Super sector

Superannuation funds would lend out part of their members' money as bank loans to fund major infrastructure developments under controversial proposals being worked on by National Australia Bank and super industry heavyweight Industry Funds Management. NAB is in talks with about 25 super funds and their fund managers about how to structure the loans to make them suitable for the super sector, the *Financial Review* reported.

More super, and less

The latest report on the superannuation industry, commissioned by the Industry Super Network – the umbrella group for non-profit super funds – and conducted by actuaries at **Rice Warner**, finds the commissions on super funds could ultimately slice half a per cent from the nation's economic output by 2024 and cost national savings \$117b. The report comes ahead of a top-level government review into the retirement savings industry, *The Age* reported.

Another super item

The Government inquiry into the \$1.2 trillion superannuation industry is facing mounting criticism from senior industry figures, who fear it will recommend introducing tough laws that will significantly add to costs and increase complexity. There is speculation that the chairman of the Super System Review, Jeremy Cooper, will recommend substantial legislative changes as a means to drive down member fees and improve returns. He is expected to propose a universal default super fund be made available to people who do not make a specific choice about their retirement savings, the *Financial Review* reported.

Big dream and Howes

Australian Workers Union national secretary **Paul Howes** is keen to revive **Paul Keating's** big superannuation dream. He told the Conference of Major Superannuation Funds in Brisbane that almost two-thirds of Australians support increasing their superannuation contributions to 12 per cent and that the goal before the federal election should be a plan to lift the super guarantee to 15 per cent from the 9 per cent it reached in 2002, *The Australian* reported.

Stick to medicine

The Financial Review reported that a report by Rice Warner on behalf of superannuation administrators SuperChoice, warns the amount of data Medicare will collect from employers, in its role as an electronic superannuation clearinghouse for contributions, is insufficient for many funds to establish records for life insurance cover that are incorporated into superannuation products. The warning is another headache for the Government, which is trying to meet an election promise to deliver practical reforms that cut through the red tape and higher administration costs of superannuation systems to help maximise returns to contributors.

Would you believe it? A red-tape regulator...

The Government will increase the powers of its red-tape regulator – the Office of Best Practice Regulation – in a bid to prevent any

unnecessary rules from stifling economic growth, amid business concerns that Labor has yet to live up to its promises on deregulation, the *Financial Review* reported.

Release the tension

The Australian's editor-at-large, Paul Kelly, joined a growing chorus of commentators when he wrote that the Government has to stop panicking and release the long-awaited Henry tax review. And it seems that Kevin Rudd will follow his advice, with the report possibly to be made public before the May budget, and the Prime Minister agreeing to leave Wayne Swan to determine the timing.

Rudd spread a challenge

The Financial Review's international editor, **Tony Walker**, wrote that the new head of the Department of Foreign Affairs and Trade has moved to reassert a weakened department's policymaking role in a series of government moves that include the establishment of a US-style policy planning branch. Dennis Richardson has also shaken up the higher echelons of his department by creating a departmental executive of 10 or so senior officers in place of the previous executive structure that was restricted to a secretary and a deputy secretary. Rudd's tendency to spread himself obsessively across the bureaucracy is a challenge for all department heads, and none more so than Richardson.

Honeymoon

Commissioning of Australia's fourth uranium mine begins in April. The \$138m Honeymoon project in South Australia is a joint-venture between Canada's Uranium One (51 per cent interest) and Japan's Mitsui & Co (49 per cent). It will be the smallest of Australia's uranium mines behind the ERA's Ranger mine in Kakadu, BHP Billiton's Olympic Dam mine in SA and Heahtgate's Beverley mine in SA, *The Age* reported. Nearby, the Government has cleared the way to sell Australian uranium to Russia — rejecting fears the nuclear material could find its way into nuclear weapons.

A choice

Consumer group Choice is calling for a supermarket ombudsman to tackle competition issues, monitor store behaviour and investigate potential abuses of market power. In a speech delivered at a consumer conference in Sydney, Choice chief executive **Nick Stace** urged Canberra to appoint a dedicated ombudsman for the sector, which the group believes is plagued by questionable practices, *The Age* reported.

New Volvo driver

Ford has sold Swedish brand Volvo to the Chinese car maker Geely Holding Group for \$US1.8b, *The Australian* reported.

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MEDIA

Getting ahead of themselves?

The Government has outlined a second term agenda for sweeping media industry reforms that will begin with a review of ownership limits and local content rules, which major companies in the sector believe should be relaxed as more content moves online, the *Financial Review* reported.

Digital missionary

The Australian reported that stage one of the national conversion to digital television is entering the home stretch in Victoria's Mildura-Sunraysia region, which on June 30 will become the first market in Australia to cut its analog signal. On March 28, the Digital Switchover Task Force launched its second targeted local advertising campaign in the area to start the 100-day countdown. At the same time it began its first targeted campaign in the next four TV licence areas to switch: Spencer Gulf, Riverland and Mt Gambier in South Australia and Broken Hill in New South Wales. The taskforce's chief executive Andy Townend said 'our campaign is designed first of all to make everyone aware, secondly help everyone who needs help, and thirdly provide information and advice to everyone who wishes to convert'.

Protect us!

Australians may soon have an internet ombudsman to help them remove offensive and obscene material from social networking websites after **Kevin Rudd** said he was open to the idea, *The Age* reported.

Counter to the US

The Obama administration has questioned the Government's plan to introduce an internet filter, saying it runs contrary to the US's foreign policy of encouraging an open internet to spread economic growth and global security. Officials from the State Department raised the issue with their Australian counterparts as the US mounted a diplomatic assault on internet censorship by governments worldwide, *The Australian* reported.

Cash for comment?

Neil Mitchell, of 3AW, has been asked by the broadcasting watchdog to confirm he is not on the payroll of the Labor Party. The query is believed to stem from a complaint by a listener to the Australian Communications and Media Authority, *The Age* reported.

DEFENCE

Impairment

Australia's restrictions on the deployment of its troops in Afghanistan have sparked a rift between military leaders in Washington and Canberra. The Coalition's top military commander in Afghanistan, US General **Stanley McChrystal**, has warned that the

Rudd government's refusal to allow Australian troops to take the fight to the Taliban was impairing the US-led war effort, *The Age* reported. The *Herald Sun* reported at the beginning of April that 20 Australian soldiers have been wounded in Afghanistan this year.

Losing our edge

Department of Defence chief technology officer **Matt Yannopoulos** said the Australian armed forces are in danger of losing their technological edge over adversaries in Afghanistan and other operational theatres because of the outdated and disjointed state of Defence's computer systems, the *Financial Review* reported.

Top speed

Five F/A-18F Super Hornets – the first of 24 – arrived in Australia and will tide the airforce over until the fifth generation F-35 joint strike fighter comes on the scene. They are the first new Royal Australian Air Force jets since 1985 and will be based at the Amberley airbase, west of Brisbane. The \$15m Super Hornet – which can reach speeds of up to 1900 kilometres an hour – boasts an array of state-of-the-art weaponry, including Sidewinder air to air missiles and harpoon ship missiles. The Super Hornets will replace the RAAF's ageing F-111 strike bombers, which were ordered in 1963 and will be retired this year, *The Australian* reported.

A number of jobs

The Department of Defence wants to add 100 full-time workers to its technology and communications team. The hiring spree comes as Defence begins work on its data centre consolidation program under the supervision of consultancy firm KPMG. According to Defence chief technology officer Matt Yannopoulos, Defence is looking mainly for project managers and business analysts. IT architects, network engineers and security specialists are also on the list, *The Australian* reported.

Needs more time

'Junior' Defence Minister **Greg Combet** lost part of his extensive portfolio as he continued to grapple with the problems with the home insulation scheme. Prime Minister Kevin Rudd's 'Mr Fixit' will no longer be responsible for Defence Personnel. He will retain Defence Materiel and Science. He will also keep his role as 'junior' Climate Change and Energy Efficiency Minister, where he will continue to work on the insulation scheme's problems. The Defence Personnel job, which includes recruitment, pay conditions, as well as the health concerns of 57,000 military personnel, will be shifted to Veterans Affairs Minister **Alan Griffin**, the *Herald Sun* reported.

Chapter 3

Rudd government plans to transfer the military justice system from the defence chain of command to a chapter III court will drive up

costs and compromise justice for servicemen and women, the nation's peak lawyer lobby body, the Law Council of Australia, has warned. They back a permanent return to the courts martial system. Speculation is mounting that Attorney-General Robert McClelland will walk away from a plan to dismantle the Federal Magistrates' Court and fold it into the federal and family courts. The plan had met with fierce resistance from federal magistrates and the Opposition. Instead, military and legal sources believe the Government will retain the FMC and create a new division of the Federal Court and FMC to handle military justice matters. It is understood federal court judges and the Opposition would welcome the move, The Australian reported.

Taking its time

The Defence Department has admitted it has been five years since it set out to fix the dysfunctional pay system and it will be months before it goes to market with a \$500m tender to address the system's failings, the *Financial Review* reported. *The Australian* reported the army chief, Lieutenant General **Ken Gillespie**, admitted he was a victim of ongoing bungles in the payroll system and had to return \$20,000 because of a superannuation accounting error.

Taking control

Federal Police will take control of security at major airports within the next three or five years to end overlaps between state and federal agencies and resolve understaffing. The move, which follows an independent review of the Australian Federal Police, came as the Government urged travellers to the United States to arrive at airports an hour earlier than normal to allow for body searches following a bomb scare in the US on Christmas Day, *The Age* reported.

What's that bump

The Australian reported that airport users face full body scanners and increased delays under government plans to put an extra \$200m into airport security over the next four years. The Age reported that the body screening will not be applied to all passengers. The Government has yet to decide whether they will be chosen randomly for tests or profiled as potential threats. Transport Minister Anthony Albanese said the body scanners would produce stick figures rather than naked images. The security upgrade also includes a doubling of random explosive testing at the eight main airports, improved passenger screening, extra dogs, cargo x-ray screening and the introduction of the multi-view x-ray machines and bottle scanners, capable of detecting liquid-based explosives.

Home at last

The remains of two Australian soldiers who disappeared while on patrol in Indonesia in 1966 have been found with the help of the Indonesian Armed Forces, *The Age* reported.

JUSTICE

Still waiting

A review of the Attorney-General's Department warned last year its legal capacity had been substantially diminished by a decision to commercialise and outsource government work. The previously confidential review was conducted by Allen Consulting senior associate **Roger Beale**, whose criticism of the department's inability to drive policy or strategic work has already led to significant internal reforms. Beale's key recommendations about the AGD's legal capacity have still not been implemented, *The Australian* reported.

Hmmm

The Government is likely to come under pressure to change copyright laws after a court decided that Telstra's Yellow Pages and White Pages directories were not protected because they were the work of computers rather than identifiable authors. Sensis, Telstra's directories arm, has confirmed it is appealing against a federal court ruling, handed down in February. Compamies such as Tabcorp, Foxtel, Seek, News Limited and Fairfax Media are following it closely as the ruling appears to give unscrupulous companies immunity to scrape data off their classifieds websites, repost it on the internet and sell ads against it, *The Age* reported.

Oops

Maria Silva, a tourist from the Philippines, spent six days in the Melbourne Custody Centre after a drug detection dog reacted positively to the presence of drugs in three packets of Nestea iced tea — a common grocery item in the Philippines — found in her suitcase. Presumptive testing of one packet indicated a positive result for amphetamines. It turned out to be what the label said it was. The Australian Federal Police and Customs and Border Protection said the incident was regrettable and acted immediately after full testing to drop the charges, *The Age* reported.

Bill of rights right

In an opinion piece for the Financial Review, Phillip Lynch, director of the Human Rights Law Resource Centre, wrote that in mid-March the Victorian Court of Appeal struck the death knell of the claim that bills of rights result in judges rewriting the law, subverting legislative intent, or usurping the role of Parliament. In a landmark judgement, the court demonstrated that a bill of rights (such as the Victorian Charter) can provide evidence-based policy development as well as transparency and accountability in government.

Widely opposed

The proposal for a commonwealth charter of rights looks to be dead, having run into widespread opposition within the Federal Government, *The Australian* reported. This has triggered fears Victoria's legal system will be left isolated, with a state-based charter system that is at odds with mainstream jurisprudence and the rest of the country.

Racenet

Attorney General **Robert McClelland** has ordered the Australian Human Rights Commission to conduct a sweeping review of arrangements for dealing with racist material on the internet, *The Age* reported.

A bit far

Retailers will have to tell the government every time a customer is badly hurt using one of their products — including tripping over a toy or crashing a car — under Australia's first national law on product safety. Car and toy makers are furious at the new requirement, which is outlined in a 'regulation impact statement', *The Australian* reported.

Meting it out, leaving it out

The Government has quietly decided to leave in place a ban preventing judges from considering Aboriginal customary law when meting out justice, *The Age* reported.

Emu Field

Cherie Blair QC, wife of former British prime minister Tony Blair, will represent Aborigines seeking compensation from the British government for illnesses allegedly resulting from its atomic tests in Australia. Five claims have already been lodged in the British courts by Aborigines from Emu Field, in South Australia's northern deserts, where two atomic tests were conducted in 1953, The Australian reported.

Another option

The Senate Scrutiny of Bills Committee is preparing itself for an expanded role to examine legislation for breaches of human rights, which could present the Government with an alternative to the controversial recommendation made by the Human Rights Consultation Committee last year to introduce a bill of rights. The Scrutiny of Bills Committee examines all bills before Parliament and reports to the Senate on whether that they 'trespass unduly on personal rights and liberties', the *Financial Review* reported.

To court!

Urban Task Force Australia said that environmental extremists were the big winners from a proposal to make it easier for grassroots activists to tackle governments in the courts. The warnings came after Dr Allan Hawke, one of the Government's key advisers, recommended law changes to reduce the financial threat posed to community environment groups entering the legal system. Hawke told Environment Minister

Peter Garrett that public interest litigation has been hampered by laws forcing groups to prove up front they can cover the costs of legal representation and delays caused by injunctions to contentious environmental projects, *The Age* reported.

Inadequacies

A Senate committee concluded governments are failing to offer access to justice to many in the community and has called for increased federal funding for legal assistance programs, opening up legal aid funding for civil disputes and recommending pay rises for legal aid lawyers. The committee, chaired by Tasmanian Liberal **Guy Barnett**, unanimously concluded that legal aid was not adequately funded and said there was cynicism the Federal Government would adequately increase funding, the *Financial Review* reported.

Lawler on lawlessness

Crime gangs are using pensioners and the unemployed to launder millions in dirty money through casinos, authorities believe. The Australian Crime Commission is closely watching casinos after an 18-month probe. ACC chief executive **John Lawler** said that it had intelligence indicating organised crime groups were engaged in high-level gaming activity in legal casinos. Its financial assessment team matched information from casino loyalty programs and other databases including Centrelink records, the *Herald Sun* reported.

Welcome

Federal Court Chief Justice Michael Black's 19-year tenure in the job ended on March 28. Black became a barrister 46 years ago, a Queen's Counsel in 1980. His successor, Justice Patrick Keane, of Brisbane, was formally welcomed the following day.

AGRICULTURE & WATER

Clandestine engagement

Governments are engaging in a clandestine campaign to strip property rights from landowners, according to the National Farmers Federation. The claims are contained in a submission to a Senate committee looking at the impact of climate change measures and native vegetation laws, *The Australian* reported.

Moving on from tax...

In a speech on sustainable development, Treasury boss **Ken Henry** has railed against the disgraceful management of the nation's water resources, *The Australian* reported. He also took aim at 'free riders' who made it impossible to get an agreement on global action to combat climate change. And he expressed alarm at the plundering of Australia's natural resources, saying any

development that did not respect conservation was not development at all because it denied freedoms to future generations...

No one could accuse them of being coordinated

The Government should adjust its \$12.9b water policy to put more weight on economic and social needs rather than science alone. the Productivity Commission has urged in a report that critiques Canberra's poor coordination, the Financial Review reported. The Australian reported that the commission has recommended that the commonwealth drop the tender process for its \$3.1b Murray-Darling Basin water buyback and instead buy entitlements directly through the water market. It also argued the best value for money came from buying water, rather than funding infrastructure upgrades. Commissioner Neil Byron said the tender process could result in the Commonwealth 'paying a little over the odds, but not very much'. He said the tender system interfered with the water market.

A bone to pick (and process)

The Australian meat workers union has formed an unlikely alliance with animal welfare groups to fight the live export trade, which they say is crippling the Australian meat processing industry. The Australian Meat Industry Employees Union said five abattoirs in regional Australia had shut down in the past six months due to a lack of animals, which were instead being sent overseas as live exports, *The Age* reported.

Got a beef

The US and the European Union have reacted with concern and surprise to the Government's decision to delay for at least two years the importation of beef from countries exposed to mad cow disease, *The Australian* reported.

They just don't die

Scientists are considering new strains of the calicivirus to combat rising rabbit numbers, after warnings Australia is on the brink of a rabbit plague. **Brian Cooke**, of the Invasive Animals Co-operative Research Centre at the University of Canberra, said up to 10 strains

of the calicivirus could be imported from parts of Europe, including Holland, Spain and Italy, *The Age* reported.

COALITION DOINGS

A positive out of a negative

The decision by the Opposition Senate leader **Nick Minchin** to guit the frontbench and retire from Parliament at the end of his term, to spend more time with his family after a military training accident involving his son, prompted a mini reshuffle of the opposition frontbench with Barnaby Joyce dropped as shadow finance minister. Andrew Robb will take over a renamed 'finance and debt reduction' portfolio while Joyce becomes spokesman for regional development, infrastructure and water. Ian McFarlane, a former resources minister who was spokesman on infrastructure and water, takes over Minchin's resources portfolio, while Nationals leader Warren Truss loses regional development to Joyce, who will continue to represent the finance portfolio in the Senate. Tony Abbott said it would be premature to bring Malcolm Turnbull onto the front bench with the emissions trading legislation - on which he crossed the floor still before Parliament, The Age reported.

Nearby

Tony Abbott has ordered his former finance spokesman Barnaby Joyce to storm the nation, exposing rip-offs under the Government's \$16b school building program. Barnaby risked inflaming tensions with Liberal MPs and his leader by saying the priority for water policy must be to guarantee food production, with the environment coming second.

C'mon Aussie

The Age reported that the Nationals, fighting a long-term erosion of their vote, have used the co-creator of *C'mon Aussie C'mon* to craft a new advertising campaign, which they launched in Victoria. The TV ads, with images of workers, farmers, firefighters, families, towns and rural scenes, have a catchy tune. Listeners are exhorted to 'Think local, vote National'.

Adieu

National's MP **Kay Hull** will retire at this year's election after 12 years representing the New South Wales federal seat of Riverina.

Signed but not worn

Tony Abbott has hired drama coach **Marcus West** to soften his image. Meanwhile, a pair of Speedo's – signed but not worn by Abbott – have raised \$3,400 in an online charity auction, the *Herald Sun* reported.

Pollie want to pedal?

The **Pollie Pedal**, a charity bike ride **Tony Abbott** has organised every year since 1998, has raised more than \$1m. He undertook it over nine days in early April. While in previous years Labor MPs have joined the pedal, this year none took part, *The Australian* reported. *The Age* reported that the 1,000-kilometre charity ride from Melbourne to Sydney is expected to raise about \$200,000 for indigenous health group the Poche Centre.

Good work

Tony Abbott completed the Ironman Australia Triathlon on the New South Wales mid-North Coast. He was among 1540 competitors who registered and had 17 hours to finish a race that began with a dawn swim of 3.8 km, then by a 180.2-kilometre bike ride and a 42.2-kilometre run. Abbott addressed the media at every change of clothing. He finished in 13 hours, 57 minutes, *The Age* reported.

Kalamata

Opposition Leader **Tony Abbott** has extended an olive branch to the gay and lesbian community, back-pedalling on recent remarks in which he described the lifestyle as threatening, *The Age* reported.

On the contrary

Former Liberal Treasurer **Peter Costello** criticised **Tony Abbott's** parental leave scheme, saying its new tax impost was contrary to the party's principles, *The Age* reported.

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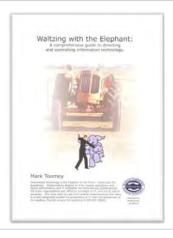


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A Labor politician and a crowbar were spotted nearby

Joe Hockey was knocked unconscious during a rugby match against Duntroon military cadets. He was out for about a minute after a tackle but recovered quickly, the *Herald Sun* reported.

Freedom!

In a speech to the Grattan Institute in Melbourne, shadow treasurer **Joe Hockey** launched an attack on the erosion of freedom saying that Australians should be worried about a future where it is impossible to go anywhere without being filmed by security cameras. Hockey also said police powers to conduct random body searches had gone too far and he opposed moves to censor the internet, the *Herald Sun* reported.

Worth a read

The fact that it has taken 27 years for the first memoirs of former Prime Minister Malcolm Fraser to emerge since he retired from Parliament is no accident. Only two months shy of his 80th birthday, he had to be coaxed by Melbourne University Publishing head Louise Adler before he gave the project the nod. He believes the 754-page result, co-written with journalist Margaret Simons, has worked reasonably well. As a 25-year-old, Fraser arrived in Canberra as the youngest MP to enter federal parliament.

The living dead

Phillip Ruddock has become the third longest serving MP in Federal Parliament's history, clocking up 36 years and five months as a sitting member. This service is eclipsed only by Earle Page, who held the seat of Cowper for 42 years, and former prime minister Billy Hughes, who holds the record, at 51 years and seven months, the *Herald Sun* reported.

SOCIETY

Jibes

The *Herald Sun* reported that **Kevin Rudd** has defended Australians over jibes by US entertainer Robin Williams that we are urine-drinking 'English rednecks'. Williams made the comments on popular American talk-show The Late Show with David Letterman after visiting Australia. Rudd was unimpressed and alluded to America's racist history in the deep south. 'First of all, I think Robin Williams should go and spend a bit of time in Alabama before he frames comments on anyone being particularly redneck,' he told Triple M radio. Readers of the Herald Sun wrote to the paper suggesting Australians learn to laugh at themselves a bit more. Williams apologised to Rudd and offered to take him to a strip club the next time the PM visits the US.

Nothing like marketing Australia

Tourism Australia's newest marketing catch cry is 'There's nothing like Australia'. After the debacle surrounding Lara Bingle's controversial 'So Where The Bloody Hell Are You?' ads - which even Kevin Rudd called a 'rolled-gold disaster' - the marketing people were looking for a slogan that was simple, universally understood and not colloquial or polarising, the *Herald Sun* reported. Less than 24-hours after the launch of the campaign. a spoof website emerged parodying the concept. The Financial Review reported that the new campaign comes at a difficult time for the tourism industry, which is coping with a lack of international arrivals and aggressive competition from competitor destinations such as Hawaii and Singapore. Japanese tourist arrivals dropped from 814,000 in 1997 to an expected 350,000 this year.

Discipline required

Former national servicemen, including retired colonel **George McKenzie**, Victorian patron of the National Servicemen's Association of Australia, have called for a modern version of conscription to combat youth street violence, *The Age* reported.

Every man needs one

The Australian Men's Shed Association has been operating off \$50,000 of government funding but, having quickly snowballed into the biggest men's organisation in the country, that money has been stretched beyond breaking point. There are 416 Men's Sheds in Australia with more than 35,000 members. It has grown by 30 per cent in just eight months. But because of that growth, the executive officer of the association, David Helmers, accepts it might all be over. On June 1, he will walk away due to a lack of funding. The sheds cater primarily for retired men and those unable to find work. An Australian idea, they are seen as a key to providing preventive health care to men who cannot speak about their well being to others.

Happy birthday

Rupert Murdoch turned 79 on March 11, *The Age* reported. The average age of executive directors in the top 100 Australian companies is 54, said RiskMetrics Group analyst **Martin Lawrence**.

I can feel a reality TV show coming on

The Herald Sun reported transdermal drug specialist Phosphagenics, which has been testing insulin patches for companion animals, says in Australia about 40 per cent of dogs and a third of the nation's cats are overweight, and thereby have an increased incidence of diabetes.

Next

More than 30 of Australia's leading child experts are calling for an unprecedented ban on the sale of adult magazines such as *Playboy* and *Penthouse* and other 'soft

porn' material from newsagents, milk bars, convenience stores, supermarkets and petrol stations, *The Age* reported.

Harmony Day

Sunday, March 21 was **Harmony Day**, which sought to express people's support for Australia's cultural diversity, www.harmony. gov.au.

APPOINTMENTS, JOBS AND TENDERS

Appointments

Steve Munchenberg is the new chief executive of the Australian Bankers Association. He was former head of government affairs at National Australia Bank, Graeme Head, from the New South Wales Department of Services. Technology and Administration, is a new deputy secretary of the federal Department of Health. A former deputy secretary of the New South Wales Department of Premier and Cabinet, he is also a former CEO of the Sydney Catchment Authority. The Department Of Health and Ageing secretary Jane Halton has also promoted Rosemary Huxtable as the second new deputy secretary. Huxtable has been acting deputy secretary since last April, responsible for the National Health Reform Taskforce, including the Government's response to the National Health and Hospital Reform Commission's report. General Motors (Holden) has its fifth boss in three years, British-born, Canadian-raised Mike Devereux, 44, an engineer, is the latest chairman and managing director. He has had a 26-year career with GM, and will arrive at the Port Melbourne job after heading GM's Middle East division. He has replaced Alan Batey who has gone to GM in Detroit. Global beverages company Foster's Group has appointed former Victoria Police chief commissioner Christine Nixon to the Board as a non-executive director. Nixon led the Victorian police force for eight years before retiring in February 2009.

Jobs

The **Department of Prime Minister and Cabinet** seeks applications for appointment to the full-time statutory position of Inspector-General of Intelligence and Security www.pmc.gov.au.

Fair Work Australia seeks an Executive Director Strategic Communications and Solutions, admin@execintell.com.au.

Australian Wool Innovation Limited seeks a chief executive officer, karen.newton@wool.com.

The Private Health Insurance Administration Council seeks part-time board members, admin@hsexecsearch.com.

ComSuper seeks chief executive officer, admin@hsexecsearch.com.

The Australian Emergency Management Institute seeks an Executive Director, admin@ executivell.com.au.

The **Productivity Commission** seeks full or part-time members, www.pc.gov.au.

Tenders

The **Department of the Environment, Water, Heritage and the Arts** has announced the second in a series of three tenders to purchase water entitlements in the southern connected system of the Murray Darling Basin and calls for applications, www.environment.gov.au/ waterpurchasing.

The Government's Office of the Renewable Energy Regulator seeks expressions of interest for workshops involving partial exemptions for emissions-intensive trade-exposed activities, www.orer.gov.au/eites/index.html.

Fair Work Australia, the national workplace relations tribunal, is conducting its first annual review of minimum wages in modern awards and the national minimum wage order and seeks interest in participating in consultations, www.fwa.gov.au.

The **Productivity Commission** released a report called Developing a Partial Equilibrium Model of an Urban Water System. And another called Strengthening Evidence-based Policy in the Australian Federation, www.pc.gov.au/publications/feedback.

The Senate Select Committee on the National Broadband Network will conduct hearings into the progress of the National Broadband Network, including consideration of the exposure draft legislation establishing

arrangements for the ownership, operations, access obligations and service of the NBN Company, broadband.sen@aph.gov.au.

The Department of Climate Change and Energy Efficiency is calling for tenders for three studies to support development of Climate Futures Reports, which will be a produced every five years to assess how Australia is poised to manage climate change impacts and track progress over time, www. tenders.gov.au.

The Department of Families, Housing, Community Services and Indigenous Affairs' National Disability Conference Funding Program 2010-11, which offers help to conference organisers to improve access for people with disability to attend disability focused conferences within Australia is open for applications, www.fahscia.gov.au/funding.



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