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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: A bountiful month for policy exposure and development

Opinions abound in the papers, and other media, as to the substance and application of the national curriculum. Is it 'black armband'? Or more traditional? A change in the order of the issues this month sees health, education and infrastructure dominate the conversation in Canberra. It is an election year after all and Labor is seeking some refuge in the comforting surrounds of reforming the health and education systems. Rudd's mea culpa (Sorry) can only buy so much time from the free kick it gave to the opposition with the terrible implementation of the insulation scheme and the slow progress of many (601) other promises made before the 2007 election victory. The pressures of the looming election has seen the launch of the (Henry) tax review delayed and a hush fall over the climate change debate, even though everyone outside of Canberra is still talking about it.

Broadband, that perennial simmerer, continues to attract coverage, mainly in regards to Telstra's role and the value of their shares, but this month other aspects are looming on the horizon, such as the sale of part of the broadcast spectrum (the wave lengths upon which wireless information travels to radios and phones etc) to the telcos and the advance of technology (4G anybody?) which may make the broadband network the most expensive and swiftly redundant investment this countries ever made. Nevertheless, testing of the optic fibre and its installation has begun in five places on the mainland.

Phew. It's only going to get busier in the lead up to the election. Stay tuned. One has to say that some of the arguments to the fore in the last month are becoming quickly defined and refined. It's a year for voters after all, not policy wonks. Politically and immediately we have elections in Tasmania and South Australia, with as yet unknown results, which will affect the federal campaign (in September), with or without its double dissolution.

## 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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COVER: shows man on a mission, the Leader of the Opposition

## HEALTH

## Here we go

In the biggest funding shake-up since the launch of Medicare back in 1984, **Kevin Rudd** wants Canberra to assume responsibility for hospitals and other health care within all states. This means paying for 60 per cent of public hospital budgets – up from about 40 per cent – and 100 per cent of GP services and primary care. Victoria is taking a defiant stand against Rudd's proposal, arguing it would deliver no new cash to local patients for four years and could jeopardise some local health services. But other states, including the health troublespots New South Wales and Queensland and the Liberal government in Western Australia, have either locked in behind the plan or are keeping an open mind. To cover its extra costs, the Commonwealth would reclaim from the states about a third of their GST revenue, or \$50b, over three years. A hundred and thirty newly created local hospital networks – similar to those already existing in Victoria – would be paid directly by Canberra to provide services. 'While health and hospital services will be funded nationally, they will be run locally,' Rudd said. The states would still own the hospital buildings, employ the staff and be responsible for fixing performance problems – including having to pay the bills at any cost above the efficient price set for each service. Rudd said that with a concurrent federal takeover of all primary care services, there would be a stronger incentive to treat more patients out of hospitals and to end the blame game and cost shifting between the states and Canberra. He defended his decision not to launch a full federal takeover of hospitals, saying it was important the states kept 'skin in the game' and shared the risk of cost growth. But he has kept open the option of

wrestling full control from the states in a national referendum later this year if they do not agree with the plan.

Victorian Health Minister **Daniel Andrews** said the plan would not deliver an extra cent to patients for four years. He stood by the Victoria's demand for an immediate injection of an extra \$1b for current needs. Andrews said the plan raised huge questions for Victoria's highly evolved health system, including the future of 44 small rural services that are paid in block grants because casemix funding had not worked in the past for their mix of services, *The Age* reported. There will be an independent umpire, appointed by the Commonwealth, that will set the efficient price of operations, monitor hospital performance and set national quality and safety standards. The responsibility of GP and primary care will include a takeover of state and community health centres, allied health services, child and maternal health clinics, drug and alcohol services and community mental health services.

**Michelle Grattan** wrote that Rudd has put forward a bold and measured plan for hospitals reform, but he'll have a battle to translate it into reality any time soon. He declared the Victorian government deluded if it thinks the state system doesn't need improving. The *Financial Review* reported that the government has conceded that taxes could rise to pay for increased hospital costs under its health-care reform. *The Australian* reported that economists and policy experts reacted with varying degrees of cautious optimism to the reform blueprint, with most describing it as promising but many also warning it will not prove an instant panacea. **David Penington**, senior fellow at the Grattan Institute, a medical doctor and former vice-chancellor of the University of Melbourne, said there was no way the necessary expertise could be developed embracing all of Australia's

762 public hospitals. He said it was inevitable there would be two levels of bureaucracy directly involved with the public hospitals and a new layer of management at the local network level. 'It is hard to see that this would deliver better services,' he said.

State governments are worried that the new health model will leave them responsible for managing industrial relations in the sector and for any blowout in the pay of nurses and doctors.

**A mirror to himself**

**Kevin Rudd** has been publicly warned by former premiers on both sides of politics not to take over the running of public hospitals because the trouble-plagued home insulation program shows that Canberra can't be trusted to do a better job of delivering services than the states, *The Australian* reported. In *The Age*, **Peter Costello** wrote that the home insulation scheme was a bad idea from the first. We must not mirror it in health. He asked readers if they thought the Federal Government could run every hospital and hospital department in the country. On the opinion pages of the *Financial Review*, **Greg Craven**, a constitutional expert and vice-chancellor of the Australian Catholic University, wrote that **Kevin Rudd** and **Nicola Roxon's** warning about a state hospital system's takeover is an empty threat.

**Symptoms of an underestimation**

**Stephen Duckett**, a former federal Health Department head, said the Government might have underestimated the difficulty in implementing two key elements of its health reforms: national price-setting for hospital services and local hospital networks. Duckett, a member of the National Health and Hospitals Reform Commission, welcomed the Rudd plan as a good response to the proposals of the commission, which spent 16 months canvassing ideas across the country. But he warned of problems ahead, and said the roof

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insulation fiasco had shown the Government was not strong on implementation of services on the ground. He specifically questioned the plan for a national casemix system to set standardised prices for hospital services. Duckett was responsible for introducing the system in Victoria in the early 1990s. Differences among states in the cost of procedures and even in superannuation would generate significant barriers to calculating a standardised pricing formula. The challenge of adjusting funding to the states to allow for differences in costs for Aboriginal and rural services would also be complex. He said 'The Commonwealth has not demonstrated it has the skill to do it'. Duckett, who now heads Alberta Health Services in Canada, also questioned the plan to appoint local clinicians and community leaders to the boards of new hospital networks. He said it appeared Rudd might have underestimated the tendency for boards to pursue local interests at the expense of the overall capacity to fund projects, *The Age* reported.

#### Abbott on health

**Tony Abbott** has pre-empted **Kevin Rudd's** long-awaited hospitals policy by pledging the coalition would impose local boards on public hospitals in New South Wales and Queensland, the states where the systems are in the worst shape, *The Age* reported.

#### The (second) biggest health reform in a generation

The introduction of national electronic health records could be delayed again as the opposition threatens to oppose any move to fast track reforms, and industry warned the system is being jeopardised by lack of funds, the *Financial Review* reported. There are new concerns that an integrated national health record database will be too complex and expensive to establish without much more money being spent. A report entitled *National e-Health Strategy Progress in Australia*, produced by international analyst firm Ovum Research, says years of investment in uncoordinated and unconnected e-health strategies by state and federal agencies has produced a highly fragmented system that has made the cost of integration almost prohibitively high and the result would be disjointed. The *Herald*

*Sun* reported that the introduction of the electronic patient records would be the biggest health reform in a generation, delivering an estimated \$8b in savings over the next decade. However, the Australian Medical Association warned of a bumpy ride if doctors were expected to foot the bill, following the Government's refusal to guarantee compensation. The Royal Australia College of General Practitioners delivered a similar message, demanding funding for general practices to support required software and business changes.

#### Immortal by 2060

Women's life expectancy will top 90 by 2050, when Australia's population will have more than twice as many people over 65 as now and more than four times the number of those 85 and over, a new Treasury report reveals. The stress this will place on the nation's workers is profound, the third Intergenerational Report, delivered by Treasurer **Wayne Swan** at the National Press Club at the beginning of February, finds. The timebomb of Australia's ageing population will begin to detonate in five years as Government spending is forced up to cope with higher health costs, aged care and age-related pensions. The report shows real government spending per person will begin to rise by 1.9 per cent a year from 2015-16 onwards, *The Australian* reported. The report also showed that the private health insurance rebate will soon be the fastest growing component of Government spending, rising by more than 50 per cent in real terms over the space of a decade. Even if the Government succeeds in imposing a means test on the rebate, the policy will cost \$192 per person in 2012-13, rising to \$319 by 2022-23 after adjusting for inflation.

The *Financial Review* reported that Prime Minister **Kevin Rudd** has moved to give a sharp political edge to the debate about the increasing budget pressures from the ageing population by saying opposition obstruction of moves to means test the private health insurance rebate will cost \$100b by 2050. Rudd's claim also sought to shift the focus of this year's federal election campaign from climate change to health. He left open the possibility of a double dissolution election triggered by the Coalition's second rejection of

the private health insurance rebate means test, estimated at last year's budget to save \$1.9b over four years. *The Age* reported that evidence of a \$100b blow-out in health insurance rebates is absent from the Intergenerational Report. An editorial in that paper said that as a predictor of demographic and economic destiny, the Third Intergenerational Report makes a handy weapon for the Government to promote its agenda. On its opinion pages, economics editor **Tim Colebatch** said that the Intergenerational Report identifies the problems of an ageing population without offering any real solutions.

#### Snoops

Revelations that Medicare Australia has investigated 1,058 of its own employees for potential unauthorised access to client records in the past three years will worry a Senate inquiry into the Health Care Identifiers Bill. The bill has been dogged by concerns over patient privacy raised by consumer health, privacy and technology advocates. *The Australian* reported that there is evidence that 948 staff out of a total of 5,887 employees were being tracked by an Unauthorised Access database (as at June 30, 2009) for apparently snooping among client files without a valid reason. But a Medicare spokesman has disputed the one-in-six figure provided to the Privacy Commissioner in a statutory report.

#### Non-core

*The Australian* reported that **Kevin Rudd** has failed to deliver on an election promise to entice 200 former nurses into the nation's staff-starved aged care homes each year using cash incentives of up to \$6000. The Australian Nurses Federation has described the program as flawed, demanding the Government remedy the fact that nurses in aged care earn \$300 a week less than those working in hospitals.

#### A public private partnership

An Abbott government would sell Medibank Private and use the expected to \$3.5 to \$4.5b proceeds to pay off debt. In the Coalition's latest policy announcement, shadow treasurer **Joe Hockey** said some activities are best left to the private sector and Medibank Private behaved as though it were already there, *The Age* reported.

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**Continued drift**

Families will have to pay up to \$200 more a year for their health insurance as the continued drift from public to private care increases premium costs. Premiums will rise by an average of 5.78 per cent, *The Age* reported.

**As is**

Health Minister **Nicola Roxon** has rejected a call from the Australian National Council on Drugs to consider lifting the drinking age. The council declared that there was evidence that lifting the legal drinking age decreased the number of young people drinking alcohol and being harmed as a result, *The Age* reported.

**No dinosaur**

The Pharmacy Guild of Australia is preparing to take control of the \$60m electronic prescription market by taxpayer funded support for its computer prescription system, under an agreement with the government that could be signed as soon as April, the *Financial Review* reported. The proposed fifth community pharmacy agreement will help the introduction of an eRx script exchange that will electronically transmit prescriptions between doctors and community pharmacists. It involves a taxpayer funded 15c subsidy per electronic prescription on eRx.

Australia's peak pharmacist organisation is pushing to allow chemists to prescribe drugs, arguing the reform is necessary to relieve hard-pressed GPs. The Pharmaceutical Society of Australia, which represents about 75 per cent of the 18,000 pharmacists nationwide, says some of its members are so highly trained they know more about today's complex drug combinations than doctors do, *The Australian* reported.

**Every male**

Every male in every workplace around Australia would get access to wholly subsidised health checks if draft recommendations in the Government's male health policy are made law. Under the proposal, male workers would have the choice to be screened for conditions including diabetes, high blood pressure and depression. The test results would remain confidential.

**A choice...**

Opposition Leader **Tony Abbott** has dismayed welfare services by telling them that governments cannot stop people from being homeless if that's their choice, and declined to match the Rudd government's goal to halve homelessness by 2020, *The Age* reported.

**Unfair**

Overseas trained doctors should not be forced to work in rural areas when they arrive in Australia, and deserve access to publicly funded healthcare and other services, the Australian Medical Association says. AMA president **Andrew Pesce** called on Health Minister **Nicola Roxon** to introduce better conditions for international medical graduates, who make up 41 per cent of the rural and regional workforce in Australia. He said their stint in the bush was unfair and often forced inexperienced graduates to work without adequate professional support or supervision, *The Age* reported.

**Them's me bowels**

Thousands of people who used faulty bowel-testing kits as part of the Government's \$103m screening program could be facing a delayed cancer diagnosis after they tested positive when using the replacement kits sent out in recent months, *The Australian* reported.

**Super-duper**

*The Age* reported that almost 500,000 Australians are 'super obese', a fivefold increase during two decades, with weight loss surgeons reporting they are increasingly treating patients at serious risk of premature death. Leading obesity specialist **John Dixon**, who runs a private obesity clinic and is a researcher at the Baker IDI Heart and Diabetes Institute, predicted super obesity would double in the next decade without intervention.

**Big problems, both**

Medicare spending on psychological therapy will increase to \$1.5b by 2011, twice its budget allocation, according to analysis by the Mental Health Council of Australia, *The Age* reported.

**Transformational change**

**Allan Fels**, a member of the Disability Investment Group, which came down on the side of transformational change last year, said

implementation of a national disability insurance scheme would address a desperate and costly need but poses several challenges, which include who belongs to the scheme, what benefits they receive, how it relates to other areas of desperate need in the community and how it would fit in the administration of welfare, the *Financial Review* reported.

**At peace**

The Victorian Institute of Forensic Medicine has found that 51 people across Australia have died from an overdose of Nembutal, the drug that euthanasia advocate, **Dr Philip Nitschke**, has promoted as the 'peaceful pill', in the past 10 years. While the lethal barbiturate is only available for veterinarians to euthanise animals in Australia, Nitschke has been helping people obtain it from Mexican vets and other overseas sources since the late 1990s, *The Age* reported.

## INFRASTRUCTURE

**Nation building**

Australia is heading into an unexpected building boom this year, as the Government's huge stimulus package lifted building approvals to record levels in the last months of 2009, *The Age* reported. Nearby, the Reserve Bank has warned of a wages blowout and higher inflation if the resources sector grows faster than expected.

**Popular and farcical**

Under the Government's popular Green Loans scheme, people can book one of 360,000 free assessments to show how their home can save energy and water. They can apply for an interest-free loan of up to \$10,000 to pay for measures such as installing water tanks and solar panels. The Environment Department has been accused of bungling the assessment program, while giving favourable treatment to one company, *The Age* reported. The program has become the latest of the Government's green schemes to descend into farce, hot on the heels of the solar panel rebate and insulation batts grants. The original concept envisaged independent assessors – essentially small-business people – but big operations moved in, complete with door-knockers and cold callers.



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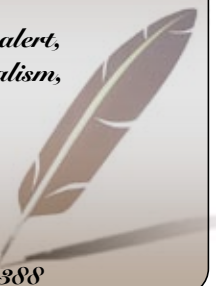
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On the opinion pages of the *Herald Sun*, that paper's national political editor, **Phillip Hudson**, wrote that Rudd's initial promise regarding the Green Loans scheme was that over four years, 200,000 households would be able to get an interest-free loan of up to \$10,000 to buy water tanks, solar panels, roof insulation etc. After the election, this was downgraded to 75,000 loans. As of mid-February, only 1,008 loans had been taken out. By contrast, the free energy audit has been too successful, with the government budgeting for 360,000 audits over four years, a limit that could be reached by April at the current rate of take up.

### Ghastly symmetry

As the last edition of *Letter from Canberra* went to press, we saw **Tony Abbott** use parliamentary privilege to attack **Peter Garrett** over the four deaths related to the installation that scheme, saying that if Garrett was a company director in New South Wales he would be charged with industrial manslaughter. *The Age's Tony Wright* noted a ghastly symmetry to the accusations; Garret's mother died when he was 23 in a house fire. He was in the house at the time and made two attempts to rescue her but the flames were too strong. In mid-February **Barnaby Joyce** declared that Garrett is 'not personally responsible in any way, shape or form' for the four deaths associated with the Government's ceiling insulation program, *The Age* reported. *The Australian* reported that Garrett has admitted his troubled \$2.5b installation program has been linked to 86 house fires around the nation. The Aluminium Foil Insulation Association said the Government program to boost the take up of ceiling insulation should be suspended until standards for safe installation are improved. There are claims that substandard materials may have been used in up to 400,000 properties fitted under the scheme.

**Kevin Rudd** admitted that cabinet did not seek any assessment of the risks of putting \$2.45b into the poorly regulated insulation sector before the stimulus program began in February 2009. It was not until April – more than two months later – that the government obtained advice about the program's risks from law firm Minter Ellison, which warned that the Environment Department lacked the experience, staff and regulatory capabilities to properly roll out the program. The *Financial Review* reported that Minter Ellison quantified the

risks to the Government of poor quality installation, including house fires, fraud and the 'major political fallout' from the early termination of the scheme. Although the document recommended postponing the starting date to September 30 to minimise the risks, the Government launched the scheme on July 1.

### Silly old batts

**Kevin Rudd** has effectively sacked **Peter Garrett** from his energy efficiency responsibilities over his handling of the bungled insulation scheme. Climate Change Minister **Penny Wong's** Department is given responsibility for energy efficiency and renewable energy programs, stripping the troubled Environment Department of responsibility for the insulation scheme. **Greg Combet** has been appointed to fix the mess, handed direct responsibility for ending the insulation crisis and establishing its replacement scheme by June 1, as the newly appointed Minister for Energy Efficiency. Garrett's portfolios were cut to Environmental Protection, Heritage and the Arts, *The Australian* reported.

### Next?

**Combet** has called in the Auditor-General to investigate the insulation program, amid allegations by the Opposition of rorting of the suspended scheme, involving installers claiming rebates for batts that were never laid. The issue emerged when householders received letters from the government asking if they were satisfied with insulation paid for by taxpayers. Many said their homes had not been fitted with batts but they had received letters sent to fake names at their address.

### An interesting observation

**Terry Williamson**, the associate professor of the school of architecture at the University of Adelaide, said that peer reviewed evidence proving ceiling insulations lives up to grandiose claims – that it leads to a reduction in energy consumption and a drop in greenhouse gas emissions – does not exist. The computer simulations assume people work like thermostats in buildings. People do not work like thermostats, *The Australian* reported.

### Recalibrating

The Government home insulation program has been halted and the solar hot water and heat pumps rebates have also been ended in big

changes made to the Green Loans scheme in a shakeup ahead of fresh opposition attacks in Parliament. A new household renewable energy bonus scheme will replace the insulation program and the solar water rebate. But the new, reduced insulation rebates won't start until June 1. The revamped solar rebates will be available at once. The insulation rebate falls from \$1200 to \$1000 and householdes will have to pay the bill before claiming the rebate through the Medicare system. The installers claimed the money from the Government under the old scheme, which encouraged shonky operators. The solar hot water rebate is \$1000, down from \$1600, and the rebate for heat pumps is cut from \$1000 to \$600. The Government moved after an audit found 8 per cent of Australian households, approximately 90,000 homes, had insulation installed outside Australian standards, posing safety risks, *The Age* reported.

### A place in the bureaucracy perhaps

The Government has announced a \$10m package to retrain thousands of workers likely to be sacked as a result of its decision to wind back the household insulation scheme, *The Age* reported. Fletcher Insulation makes about 40 per cent of Australia's insulation. Its managing director **David Isaacs** said he expected 8,000 jobs to be lost and factories closed for up to 12 months. Both **Kevin Rudd** and **Tony Abbott** met with employees of the industry on the steps of Parliament House to discuss their concerns over the premature end to the scheme, with TV cameras present.

### Nearby

Business groups have urged the Government to hold ministers liable for workplace deaths, saying they should bear the same responsibilities as company executives. A draft national workplace safety law endorsed by state and federal governments in December and imposing tough new penalties for accidents specially excludes ministers from liability, sparking a backlash from the Australian Retailers Association and state and national business chambers, *The Age* reported.

### No such fires

Rooftop solar power companies warned that the importation of poor quality solar panels risked undermining the Government's 20 per cent renewable energy target. There were claims up to 2000 homes could be a fire risk because of poorly installed solar PV units. However, less than a day after one of its own representatives made the claim on ABC television, the **Clean Energy Council** downplayed the risk, saying that no such fires had been recorded anywhere in Australia. Under the government's 20 per cent target, households installing solar PV units receive five times as many credits for every megawatt hour of emissions-free electricity their system is expected to feed to the grid compared with other renewable technologies.

### Tax status in jeopardy

The Government's \$623m plan to boost the number of affordable rental properties has hit a stumbling block, after the Tax Office ruled that mum-and-dad investors were not eligible for tax breaks under the scheme. The ruling leaves

hundreds of small investors – who have already bought properties approved under the scheme – in limbo with regards to the promise of an \$8,600 annual tax break over a decade. It is the second shock ruling from the Tax Office to hit the National Rental Affordability Scheme, which aims to add 50,000 new low-cost rental homes by mid-2012. The tax office ruled that companies and non-profit groups with NRAS approval could not transfer the tax break to individual investors. It follows an earlier tax office ruling in October 2008 that warned non-profit groups that their tax status as charities would be placed in serious jeopardy if they took part, *The Age* reported.

#### Now, why is this working better?

The *Financial Review* reported that the Government's extra \$220m for small community projects might have been allocated in the stimulus of last June, but it is being deployed now and should see hundreds of new projects completed and ready for opening before the end of the year, just in time for the likely federal election. Ministers will be opening pools, playgrounds, sporting fields and community halls in the lead up to the poll. Since the first grants were announced in mid-February, the Government has already unveiled nearly 300 projects, but spent less than \$300m. That's a lot of electoral bang for every buck and suggests a welter of announcements to come.

#### Their own echo

Statutory authority **Infrastructure Australia** is calling for major new investment planning on [rail and road links](#) for the nation's ports to unlock bottlenecks and take advantage of the rapid rebound in Asian demand for coal and other commodities. The Government's Infrastructure Coordinator, **Michael Deegan**, said 'the wharves were not the problem, not now anyway', the *Financial Review* reported.

#### Step-off

Western Australia is using its constitutional powers to resist plans by the Rudd Government to take control of state approval rights for lucrative new gas and oil projects. Resources Minister **Martin Ferguson** wants to establish a powerful national regulator, but, in a stand off threatening to derail attempts to save billions in reducing approval backlogs, Western Australia Premier **Colin Barnett** has written to **Kevin Rudd** telling him to back off, *The Australian* reported.

#### Not happening

The Rudd Government pledged to promote investment in minerals exploration but has failed to do so, *The Australian* reported.

#### Around the nation

Byron Shire Council's plan to roll back beachfront living was effectively demolished, when the New South Wales Land and Environment Court upheld a homeowner's right to protect his property from the sea, *The Australian* reported. Following this decision the *Financial Review* reported that seaside councils are braced for legal action from property owners affected by climate change and have called for a national planning framework to protect local governments from litigation. Planning lawyers said the lack of a federal strategy created a policy vacuum that has been filled by an inconsistent patchwork of case law.

#### Taxi?!

The Tourism and Transport Forum survey of chief executives from the tourism, transport, aviation and event sectors showed 75 per cent think taxi services are failing the cities, especially Sydney, Canberra and Perth. The editor has added Melbourne.

## EDUCATION

#### A return to tradition

*The Age* reported that Australia's national school curriculum will return history, grammar, literature and phonetics to the classroom, in what Prime Minister **Kevin Rudd** described as a back to basics approach to education. The draft national curriculum for maths, science, English and history [from prep to Year 10](#) is less repetitive, more traditional and shorter than the current model in most states. The draft's author, Professor **Barry McGaw**, said that it was designed to be world class. The states have agreed to introduce the new national curriculum, which has been officially released for three months consultation. Proposals for years 11 and 12 are to be released in April.

#### This is the periodic table of elements, pleased to meet you

The new national science curriculum has been released for public consultation and sets out a course of study from kindergarten to Year 10 that takes in physics, chemistry, biology and earth sciences but teaches them as one rather than

separate disciplines. Students will learn about Aboriginal dreamtime stories, Chinese medicine and natural therapies but do not meet the periodic table of elements until Year 10, *The Australian* reported.

#### Policies change, argument stays the same

There has been much debate in the papers about the teaching of the history curriculum. Many conservatives are concerned that Australian students will be taught a 'black armband' view of our history without any counter balancing. On the opinion pages of the *Herald Sun*, **Susie O'Brien** wrote that our links to Britain must also be reflected in the national curriculum. The Business Council of Australia and the Australian Chamber of Commerce and Industry both praised the move to greater consistency between states and territories and said it could help lift standards and allow employees to more easily move to other states with their children.

#### A superintendent

Education Minister **Julia Gillard** has flagged the possibility of sending inspectors into schools as part of a second wave of reforms to fix underperforming schools. At the National Press Club, Gillard said she would examine ways to provide the support and scrutiny necessary to improve schools, which could include physical inspections or quality audits, *The Age* reported.

#### My oh my

A company selling school league tables has announced it is here to stay, despite legal threats from the agency responsible for the My School website. The company, **Australia School Ranking**, sells a report ranking about 8,000 schools via its website for \$97. It rankings are based on data, including national literacy and numeracy test results, attendance rates and staff numbers, drawn from the Government's My School website. The Australian Curriculum, Assessment and Reporting Authority, which is responsible for My School, has written to the company, asking it to withdraw its rankings from sale, and has sought legal advice about its options, *The Age* reported.

#### My my

**Julia Gillard** has plans to set up a My University website to mirror her My School site launched in January. The site, to be launched by 2012, would make it easier for students and parents to track the performance of universities and compare

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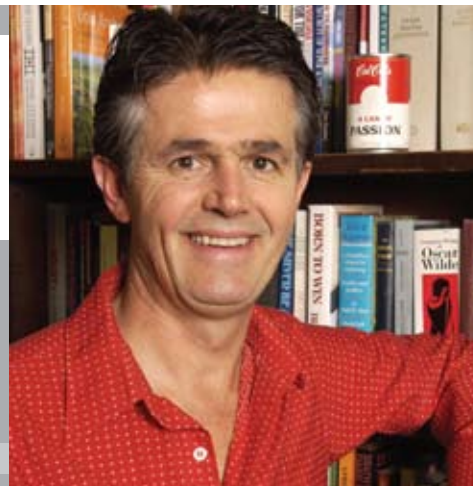
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institutions, *The Australian* reported. **Denise Bradley**, who in 2008 chaired the Government's review of higher education, backed the plans for the My University website, arguing it is in line with the new student demand driven system being rolled out. Others opine otherwise.

#### S. T. Ruggling

The Government's promise to equip every high school student with a computer is endangered by disputes over funding and a lack of support for teachers, a panel of information technology experts from government, Catholic and independent schools in every state and territory has warned. It has highlighted major areas of risk in a report to the Council of Australian Governments, *The Australian* reported. Across Australia, private and public high schools have installed fewer than 20 per cent of the million computers needed to fill the Government's \$2b promise of a computer for every student in years 9 to 12 by the end of next year.

#### Blow by blow

Australia's international education industry has suffered a blow with the collapse of eight English language colleges, affecting 2,300 foreign students around the country. Japanese-owned GEOS, which operates a global chain of English-language schools, closed its Australian operations in early February, *The Age* reported.

#### Weathering the storm

Universities appear set to weather the storm of bad international publicity over attacks on Indian students, with the latest data on student visa applications suggesting vocational colleges will bear the brunt of the damage to Australia's reputation as an education destination. Despite a sharp drop in applications from India, the immigration department received 28,403 student visa applications for higher education between October and December 2009, a 2 per cent increase on the same period in 2008, *The Age* reported.

#### Manage everything the same way

Opposition leader **Tony Abbott** flagged the idea of putting state government schools under the control of local (regional) boards – in line with his proposal for public hospitals – during a visit to Western Australia, where polls show the Coalition's vote is recovering, the *Financial Review* reported.

#### Spin over substance

On the opinion pages of *The Australian*, **Janet Albrechsten** congratulated Education Minister **Julia Gillard** for staring down the unions' anti-reform agenda. Nearby, **Kevin Donnelly** recently published *Australia's Education Revolution: How Kevin Rudd Won and Lost the Education Wars*, which argues that Australia's education revolution is more about spin than substance. Policies like computers in schools, national testing and league tables and a national curriculum are copied from the US and the UK, where they have failed to raise standards. The very changes needed to improve outcomes, like giving schools the autonomy and flexibility to get on with the job, are denied as all roads lead to Canberra and schools are forced into a bureaucratic, government controlled straightjacket.

#### Looking north

**Kevin Rudd** is putting up to \$100m of taxpayer funds over 10 years into the Australian National University's effort to create the world's leading research centre on China. Rudd graduated from ANU with first-class honours in Arts (Asian Studies), majoring in Chinese language and history. The China Centre is part of a suite of ANU-associated institutions being established or upgraded as Rudd seeks to burnish his own global credentials as an international affairs guru, *The Australian* reported.

#### Wubbeling

State schools are facing a crisis of leadership with fewer senior teachers putting up their hands to become principals. Pushy parents, growing responsibilities, lack of resources and relative low pay are reasons why more quality candidates are not applying for the top jobs, principal groups say. Australian Principals Federation president **Fred Wubbeling** said today's parents were much more demanding and more likely to complain to schools.

#### I've stopped pronouncing my "Ls"

Macquarie University has set up what it says is the first interactive online resource to explore the Australian accent's evolution and regional differences. The Australian Voices website's co-author, Macquarie speech scientist **Felicity Cox**,

says compared with Britain and the US, there are few accent variants in Australia, www.clas.mq.edu.au/voices.

## GOVERNANCE

### A procession of promises, a solution of sorries

There have been various articles, as we finish year two and move into election year three, as to how **Kevin Rudd's** campaign promises from 2007 have been progressing. His promise to build 260 child-care centres has not been going well, with only three completed after two years in office. The Government has conceded that no more than 38 centres will be completed by the end of this year and it cannot say yet when the remaining 222 will be ready. But as **Tony Abbott** labelled the Prime Minister a serial promise breaker, Early Childhood Education Minister **Kate Ellis** said through a spokeswoman that the scheme was progressing in line with Labor's commitment.

Also, a Senate estimates committee heard that despite the government promising to build trades training centres in each of the nation's 2,650 high schools, only one is operational, serving just 180 students. News of the delays continues a stream of evidence questioning the delivery on those promises that formed the key planks of Rudd's 2007 election platform. He made a surprise apology on the ABC's *Insiders* program at the end of February for the slow progress of his agenda. He also admitted he should have asked more questions about the insulation program that has engulfed the government in crisis. Meanwhile, by his own measures, Rudd's level of overseas travel in his first two years in office has been wasteful and out of touch with public expectations, *The Australian* reported. Rudd's rate of travel in two years appears to dwarf that of his predecessor.

In *The Age*, **Michelle Grattan** wrote that Rudd's far ranging apologies risk undermining rather than boosting confidence in the Government's ability to carry through its promises. In another article she observed Rudd is facing something approaching an identity crisis. He and his government are suffering mid-term blues that have hit inconveniently late



term. The Henry Tax Review is a hot potato rather than a help and the government is struggling with the best time for releasing it. Education and health are home grounds for Labor, attractive to its heartland and to swinging voters. But putting out two major initiatives only a couple of days apart points to a problem – the danger of policy indigestion. Also, she says, Rudd has greatly downplayed the role of Cabinet compared with the Howard or Hawke governments. The same paper's associate editor, **Shaun Carney**, wrote that Rudd's contrition may be genuine, but the safe course is to assume it's just a cynical tactical manoeuvre. In *The Australian*, **Greg Milne** wrote that Rudd's mea culpa is nothing more than spin.

That paper's chief political correspondent, **Matthew Franklin**, wrote that Rudd has vowed he will not change his leadership style or government decision-making processes in a rebuke to critics within his own caucus who fear his centralised approach is driving Labor's slide in opinion polls and risking its re-election prospects. In the paper's Inquirer section, **George Megalogenis** wrote that Abbott has hit the ground running, but the hard numbers say he would be rewriting the rule book if he won the election from here. For a start, one in five Coalition voters still don't prefer him as prime minister.

#### What if they all went bankrupt?

The annual returns released by the Australian Electoral Commission showed donations to political parties dropped as the global financial crisis took hold. However, the ALP still raised \$42.9m, with \$5m from unions, in 2008-09 to boost its campaign war chest heading into an election year. Labor's take outstripped the Liberals' \$38.4m, the Nationals' \$5.2m and the Greens' \$3.4m, *The Australian* reported. *The Age* reported that the disclosures released by the Australian Electoral Commission revealed that in 2008-09 the top five Liberal donors were **The 500 Club**, \$737,051; **Mineralogy Pty Ltd/Clive Palmer**, \$400,000 (plus \$280,000 to LNP Queensland); **Vapold Pty Ltd**, \$259,280; **Australian Hotels Association**, \$127,000; **Energy and Mineral Australia**, \$100,000. The top five business and individual ALP donors were the **Australian Hotels Association**, \$165,200; **Westfield Limited**, \$105,000; **Lawrence Kung**, \$100,000; **Manildra Group** \$82,590; and **Macquarrie Telecom**, \$75,200. Nearby, **Steve Fielding's** Family First Party is in financial difficulty, owing more than \$200,000 to creditors, who are likely to be repaid soon, the *Herald Sun* reported.

#### The old dirty fund

*The Age* reported that the Government has abandoned its promise of a new, clean system of political funding before the next election, prompting Opposition claims it has caved in to union pressure. Special Minister of State **Joe Ludwig** said that the Government was still determined to achieve reform and is working with all parties to do so. He would not be drawn on the timing or likely detail. This marks a significant retreat on the pledge of his predecessor, **John Faulkner**, a champion of electoral reform who, in September 2008, promised an end to the campaign finance 'arms race'. On the opinion pages of *The Age*, **Joo-Cheong Tham**, senior lecturer at the Melbourne Law School, wrote that union fees to the ALP are a special case and it is wrong to portray affiliation fees as a type of corporate donation.

#### Money and mouths

Government MPs donated more than \$200,000 to their own party last financial year, *The Age* reported.

#### The big questions

The Rudd Government is considering a series of national referendum questions to secure a mandate for constitutional change that would better define federal and state government powers, propose the introduction of a republic and formally recognise indigenous Australians and local government, the *Financial Review* reported.

#### Ruddy moody

The *Financial Review* reported that the nation's top talkback radio hosts, who speak to a combined audience of more than one million people each weekday, all reported a sharp mood swing away from **Kevin Rudd** in the electorate. The *Herald Sun's* **Andrew Bolt** was among many who noticed **Kevin Rudd's** disastrous appearance on Q&A on ABC television in front of an audience of students. Two exchanges were devastating. In one, a girl questioned him about broken promises, referring to the computers in schools program. This visibly riled the Prime Minister who gave an incorrect and exaggerated answer about the Government's achievements in this area. When he was asked if he thought it a good idea to raise the drinking age to 21 he blathered and then said, of course.

Later in the month Prime Minister taped an appearance on Channel 10 comedy *Good News Week*. Political expert **Norman Abjorensen** said the show was an example of Rudd doing some fence mending after his disastrous turn on the ABC's Q&A show when he was exposed on a number of issues, the *Herald Sun* reported.

#### A new focus

*The Australian* reported that 10 weeks since **Tony Abbott** walked out of a crisis meeting of the Liberal leadership negotiations to replace **Malcolm Turnbull** on November 30, the political landscape has completely changed, and the public focus has shifted from Coalition divisions to Government performance.

#### Pushing back

Power prices should be completely deregulated as part of a move towards a single national electricity market, the **Organisation for Economic Cooperation and Development** has recommended in its first report on Australian red tape since the Rudd government took power. The Paris-based organisation backed the Government's move to split Telstra's retail arm from its infrastructure operation and endorsed the planned national broadband network in a list of 27 recommendations to improve regulatory governance, the *Herald Sun* reported. Finance Minister **Lindsay Tanner** told the *Financial Review* that 'it is critical that there are mechanisms in government to push back against relentless pressure for increasing regulatory burdens on business'.

#### Imprisoned

**Tony Abbott** has criticised **Kevin Rudd's** reliance on the Council of Australian Governments as a driver of reform, saying the Prime Minister has become a prisoner of Labor state premiers.

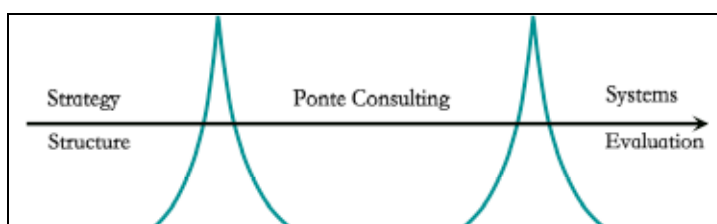
#### Boring Sunrise

**Joe Hockey** has rebuffed the Seven Network's attempts to lift interest in **Kevin Rudd's** early Friday morning television appearances on Sunrise by refusing to join his old political partner on a spot that launched them as national political celebrities seven years ago. The Opposition treasury spokesman has decided to let the Prime Minister stew in his own 'boring juices', *The Australian* reported.

On the opinion pages of *The Age*, **Michelle Grattan** wrote that while, at a fundamental level, the Government is strong, a series of problems is changing the dynamics and opening holes in Labor's advantage. **Kevin Rudd's** political style, such as his obsession for control, was always destined to be viewed more harshly when the politics became tougher.

#### He ate a grub

On the second day of a visit to central Australia, Opposition Leader **Tony Abbott** flagged a major shakeup of the native title system which would give traditional indigenous family groups more control over Aboriginal land and water down the



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power of large land councils, *The Age* reported. *The Australian* reported that in a long-range shot at **Kevin Rudd**, Abbott declared serious national leaders were obliged to understand indigenous issues from first-hand experience – a day after he became lost; briefly, while exploring remote country in central Australia.

#### Too many peanuts

An inquiry has been called into the ABC's annual report amid concerns the broadcaster is paying too much for its top TV and radio presenters. Liberal senator **Ian MacDonald** wrote a letter to a Coalition dominated Senate communications committee calling for the enquiry, the *Herald Sun* reported.

#### More ABC News

In recent months the ABC has announced a number of expanded services, amongst which it is seeking to expand its overseas television service and establish a 24 hour news channel using its high-definition signal. The ABC Open website has also been launched. It will produce expanded regional content. The expansion has come under sustained criticism from private media operators such as Sky News and Fairfax Media, which argues the expansion is a threat to the survival of private media in regional areas, *The Age* reported.

#### Not as naughty

According to the latest *State of the Service* report, 851 federal public servants were investigated in 2008-09 for suspected misconduct (down from 1,019 last year). Of them, 521 (61 per cent) were found to have breached the code of conduct, down from 66 per cent and 70 per cent in the previous two years, the *Financial Review* reported.

#### Barcode to bar code

*The Australian* reported that the Government is investigating barcode technology spending bans under controversial income management arrangements for people on welfare payments. Advocacy groups are concerned over privacy violations. At present, retailers are obliged to ensure income management recipients do not use Government funds to purchase prohibited items such as alcohol and tobacco. Human Services Minister **Chris Bowen** has called for industry assistance to identify systems that would allow 'product-level compliance' at the point of sale, reducing the burden on retailers. The system is among a range of technology solicited in the Better Dealings with Government paper.

#### Ethics in government 101

The *Financial Review* reported that the Government paid 96.5 per cent of its invoices from small businesses within 30 days in the last financial year, up from 95 per cent during the last full financial year of the Howard Government. The figures cast doubt on Coalition claims that Prime Minister **Kevin Rudd** had failed to meet a May 2007 commitment to improve payment times and that invoices were being paid more slowly than when the Coalition was in office.

#### Accountant, lawyer, lobbyist

Special Minister of State, Senator **Joe Ludwig**, acknowledged the rising power of accounting and legal firms in Canberra in the area of lobbying, and revealed that the Government was considering reviewing rules introduced in mid-2008, *The Age* reported.

#### Oh for a home

The Government has conceded the homeless crisis has worsened since the Prime Minister declared war on a problem he described as a national obscenity. Official figures are months away, but key agencies, including the Salvation Army and Youth off the Streets, said there has been an appreciable rise in homelessness in the past 12 to 18 months. They estimated there were now well over 100,000 homeless people on any given night, a figure broadly conceded by government, *The Australian* reported. In the Inquirer section of that paper, an article by **Helen Trinca** noted that Australia, unlike Britain and the US, has always had a definition of the homeless that goes well beyond rough sleepers. In social policy terms it means the quantum of those needing help is larger, but it also recognises the reality of people's lives when they struggle for the basics, such as shelter. Thanks to landmark work from Victorian researchers **Chris Chamberlain** and **David McKenzie** (who in effect count the homeless every five years), Australia is also one of the few countries with solid data. The latest figures, based on the 2006 census, paint a picture of specific groups with clearly identifiable problems. Amongst other statistics, it was found, between 2001 and 2006, there was a 33 per cent increase in the number of families seeking specialist (emergency) help with accommodation. About 85 per cent of the 100,000 homeless were not sleeping outdoors.

#### Without fear or favour

**Harry Evans**, who has retired after 29 years in the Senate, blamed the conformity of the modern political soundbite for weakening debate and curbing the parliament's ability to check ministerial power. And he bemoaned the calibre of today's senators, compared with predecessors who championed the Upper House and its forensic committee system while sometimes voting against their own parties when in Government. 'Governments are now very much focused on remaining on message,' Evans told the National Press Club. The former clerk of the Senate had a modest proposal for better public policy – more dissent, the *Financial Review* reported.

#### Going brown

The removal of pot plants from federal MP's offices will save taxpayers about \$120,000 a year, a Senate hearing has been told. To the dismay of senators and lower house members, the plants were removed in January from their Parliament house offices as part of a cost-cutting exercise, the *Herald Sun* reported.

#### Governing on a full bladder

Hundreds of politicians, bureaucrats and journalists were crossing their legs after the water supply to Parliament House in Canberra was cut in early March. It's not known why the taps were running dry, but plumbers were investigating.

#### A paradox

Victorian Premier **John Brumby** has been overtaken by New South Wales' **Kristina Keneally** as the most popular premier even though she leads by far the least popular government in the nation. In Victoria, the Coalition and Labor's primary vote is equal on 39 per cent, according to the latest Newspoll. But the Brumby government would still win an election, it were held today, after the allocation of preferences, *The Australian* reported. Meanwhile, independent senator **Nick Xenophon** has entered the South Australian election campaign, calling on **Mike Rann** to establish a New South Wales-style independent commission against corruption and accusing the Premier of badmouthing him in Canberra.

## INDUSTRIAL RELATIONS. EMPLOYMENT

#### Appealing decision

Fair Work Australia has overturned a decision that business feared would jeopardise hundreds of enterprise agreements by subjecting employers and workers to compulsory arbitration (by a third party) of workplace disputes. A tribunal full bench, headed by president **Geoff Giudice**, upheld an appeal by Woolworths against an earlier ruling by Commissioner **Greg Smith** rejecting a proposed agreement between the retail giant and the shop assistants union, *The Australian* reported. Therefore, workplace disputes can remain unresolved if that is what the parties prefer, and there should be no compulsory arbitration of disputes. The Government and employer groups both agreed with this.

#### More trouble follows

*The Australian* reported that in a new test of the workplace laws, employers will challenge a Fair Work Australia decision to throw out an agreement, between one of the nation's biggest aged-care operators and two unions, that would have allowed employees to work more flexible hours without paid overtime. Business groups said the decision was the latest example of the industrial tribunal making a flawed interpretation of the Fair Work Act and called into question the legitimacy of thousands of workplace agreements.

#### More please

Unions are set to launch the most aggressive minimum wages push for many years, with an expected claim of more than \$30 a week. The wages push is in response to last year's decision by the Howard-era Fair Pay Commission to freeze wages of up to 1.3 million workers at the height of the financial crisis, *The Age* reported.

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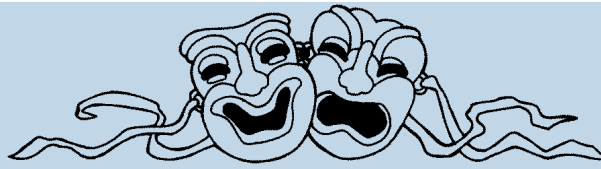
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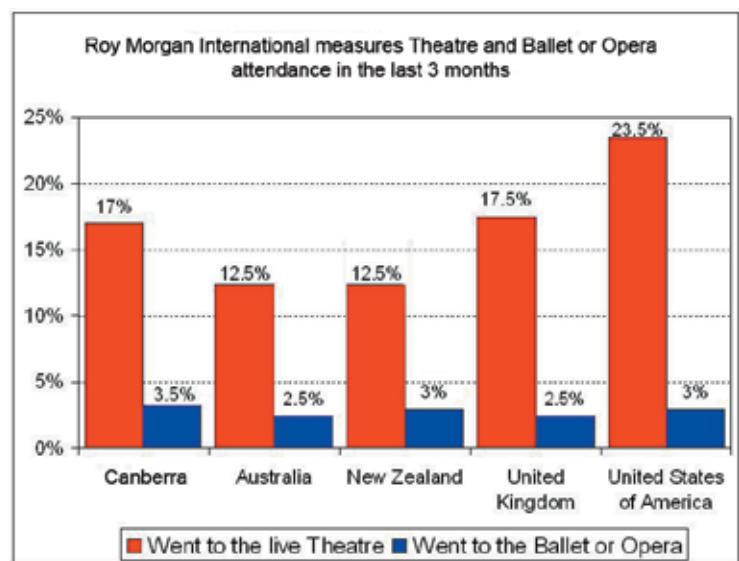




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## The mysteries of fair work

Small business organisations have criticised the Government for not providing enough resources to explain the mysteries of the new national employment standards and modern industrial awards to small business operators. The national executive director of the 5000-member Retailers Association, **Scott Driscoll**, said Fair Work Australia, which had a helpline, was highly under resourced, the *Financial Review* reported. Many small-business owners believe they will be worse off under the new IR laws, fearing that they are taking it back to the 50s or 60s.

## Fairly dismissive

Nearly one out of every four workers faces losing unfair dismissal rights after the Coalition signalled it would exempt small businesses from the laws. Unions attacked the move, saying it would result in more than 2 million workers losing protection from dismissal and said it was another sign the Coalition wanted to bring back Work Choices. The Coalition is yet to release its workplace policy but has indicated that it will likely exempt businesses with fewer than 20 staff (a number which was the basis of much discussion/negotiation/policies when the new work legislation came in) from unfair dismissal laws, as well as bring back individual non-union contracts, and reduce penalty rates for some weekend workers, *The Age* reported.

## A fight they've fought

The Coalition has strongly criticised workplace penalty rates and vowed to change unfair dismissal laws, in a move set to make industrial relations a big issue at this year's election. Unions are already gearing up to fight the 'return of Work Choices', *The Age* reported.

## It's not going to happen

Employers planning to use the Government's new awards to cut pay and conditions will face big legal costs and compensation bills under union plans to launch test cases to force repayments to workers who are left out of pocket, the *Financial Review* reported.

## Soul destroying

*The Australian* reported that fresh tensions have formed between the Government and key unions, after union officials demanded an immediate review of Labor's award revamp and warned that the overhaul risked cutting the safety net of women in female dominated industries. An ACTU vice president, **Linda White**, said the award

modernisation process had been soul destroying. She lashed out at a new Fair Work Australia ruling that she said risked leaving thousands of her members in the airline industry worse off.

## A campaign priority

Women's lack of progress towards equal pay is to be placed on the election agenda, with unions to launch a community and political campaign calling for significant government intervention. The ACTU executive is set to endorse a report that says the issue of pay equity is to be the major union campaign priority for 2010, outside of the federal election itself, *The Age* reported.

## Not enough bread to buy bread

Opposition leader **Tony Abbott** has claimed the price of a loaf of bread would rise at least 20 per cent because of Labor's award overhaul. Meanwhile, trade unions are poised to sign off on a round of 'hard negative' television advertisements that feature Abbott's workplace policies in the lead up to the election, the *Financial Review* reported.

## Back to the 70s?

Shipping company Total Marine Services has caved in to union threats of further strike action and agreed to wage allowance increases of up to \$50,000 over three years for workers servicing the oil and gas industry. Together with an escalating dispute between Woodside Petroleum and its Pilbara workforce, the Total Marine Deal confirms that Western Australia's minerals rich north has become the front line in a new industrial push that employers warn could spread through the resources sector, *The Australian* reported. Rio Tinto has warned that growing industrial unrest could spread to its critical iron ore mines, as it prepares to start bargaining with unions over worker's pay conditions for the first time in 15 years. The *Herald Sun* reported that Nippon Steel's Australian boss, **Yoshifumi Nakata**, said his company wanted assurances Australia would not return to the wild industrial days of the 1970s – when Japan was forced to look to Brazil for supplies.

## Watch this space

The Rudd government's Fair Work Act doesn't allow for people to work for less than three hours a day. That is, someone who works 1.5 hours at a business must be paid for three hours work anyway. In a follow-up story in *The Australian* about this issue, the paper reported that **Jeff Henderson** lawfully employs local youths on short after-school shifts pumping petrol and sweeping

the floor, at his Derrinallum (in country Victoria) service station because his staff work under the new Vehicle Manufacturing, Repair, Services and Retail Award, which has no minimum period of engagement for casual employees. The only requirement for an employer is to inform workers that they are employed as casuals. Henderson thinks it's ridiculous that, under Labor's new workplace rules, his teenage staff can work any hours while school students working at a hardware store in nearby Terang can't.

An editorial in the *Financial Review* said that **Kevin Rudd** and **Julia Gillard** are losing the plot on IR and the Government's ill-considered regulation of the workplace is going badly awry.

## Double trouble

*The Australian* reported that a long-term employee who was legitimately sacked for repeated safety breaches must be reinstated and paid compensation because of his poor education and poor job prospects, in Fair Work Australia's latest ruling to concern business. The industrial umpire found the worker had engaged in relatively serious misconduct, but ruled the sacking harsh due to his length of service and the fact that he was a poorly educated middle-aged family man. The Australian Chamber of Commerce and Industry said the ruling sent the wrong message, and 'really exposes employers to double jeopardy'. 'Here we have an employee repeatedly failing to observe health safety obligations, a valid reason for dismissal found to exist, but the company is still found to have acted unlawfully,' said the chamber's workplace policy director, **David Gregory**.

## Kirk

The High Court of Australia has knocked out the way the New South Wales OHS laws have been applied. These laws automatically held the legal 'employer' guilty of a criminal act with cases tried outside of a criminal jurisdiction and justice rights denied including denial of appeals. In declaring this application of New South Wales OHS laws unconstitutional, the High Court has made this model of OHS law unable to be applied nationally under the OHS harmonisation process. A farmer, **Kirk**, was held liable for the death of an employer in most unreasonable circumstances.



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#### More women

The government is considering placing tougher requirements on businesses to disclose the number of women they employ, and blocking firms from industry assistance or bidding for government contracts if they fail to meet family friendly workplace standards. But employers could also win new subsidies and taxation rebates to hire more women in senior roles under proposals to overhaul equal employment opportunity laws contained in a KPMG report commissioned by the government, the *Financial Review* reported.

#### No fly

Flight attendants fear being forced to leave the airline industry because changes brought in under the Government's award overhaul would make it impossible for female workers to reconcile their work and family commitments, *The Australian* reported.

#### The skills shortage. Discuss.

The *Financial Review* reported that the Government is planning a series of training, immigration and infrastructure reforms to address worsening skills shortages as the resources boom adds an expected \$92b to the economy over the next five years. The Government discussion paper includes options to boost the labour supply such as new models of vocational education and on-the-job training, as well as more targeted temporary skilled migration to quickly meet industry demands. By the Government resources sector task force, the paper also canvasses broadening the use of long distance commuting arrangements to increase labour mobility for remote mining and construction projects, including encouraging apprentices to fly in and out of remote sites from population hubs in southeastern Australia.

## BROADBAND. ICT

#### Harm consumers...

Communications Minister **Stephen Conroy** is to negotiate with senators on amendments to his plans to split Telstra. Telstra chief David Thodey used a meeting with the minister in Parliament House to step up his push to strike a part of the reform bill that could make it impossible for shareholders to approve a voluntary separation. Telstra is adamant that the bill in its current form would curb competition in the mobile markets, harm consumers and potentially destroy value for 1.4 million shareholders who bought Telstra shares from the Commonwealth, the *Financial Review* reported. In late February, Conroy signalled his willingness to toughen laws to split Telstra in two as the company's shares dropped below \$3. The Government has threatened to let NBN Co compete with Telstra in lucrative parts of the telecommunications market Telstra dominates, if Telstra doesn't strike a deal with the national broadband network. In the past the government has said NBN Co would be a wholesale-service, providing open and equal access to all retail telecommunications companies.

#### A letter to consumers

Telstra published a letter to its shareholders in the *Herald Sun* providing an update on the NBN and government legislation. They listed three problems they still had with the legislation: denying Telstra access to spectrum will harm not only shareholders, but also consumers – especially those in rural and regional Australia who rely on Telstra for their mobile services; the unprecedented and largely unconstrained powers the legislation gives the ACCC and the Minister send a negative signal to investors in the industry and this country; and functional separation could cost Telstra \$1b and take five years to implement, damaging customer service and providing no real benefits to consumers.

#### Nearby

Telstra's 1.4 million shareholders, disgruntled by the way the company is being attacked by the Government, are banding together to influence the coming federal election, according to the Australian Shareholders Association. They are starting to lobby MPs in marginal seats because they are disgusted with the way the Government continues to shift the goal posts in its favour in crucial negotiations over Telstra's forced involvement in the NBN, *The Age* reported.

#### Expensive

The Government will sell its stake in the national broadband network within five years of it being completed, under draft legislation released by the government. The draft also sets in law some of the key government pledges surrounding \$43b broadband network, but leaves some questions unanswered about the operations of NBN Co, the company set up to build the network, *The Age* reported.

#### Scarcity of the spectrum

Communications Minister **Conroy** has warned that the government could re-auction second- and third-generation mobile phone carrier licences as they expire between 2013 and 2017 unless incumbents Telstra, Optus and Vodafone Hutchison Australia agree to pay renewal prices that reflect the scarcity and value of the spectrum, the *Financial Review* reported.

#### Bribery and production

Opposition leader **Tony Abbott** said a two-year \$250m reduction in licence fees announced by Communications Minister **Stephen Conroy** for commercial free-to-air TV stations was a bribe to buy favourable coverage in an election year, *The Age* reported. The opposition spokesman on communications, **Tony Smith**, gave qualified support to the handout, saying the opposition acknowledged financial support for the networks was warranted during the transition to digital television. *The Australian* reported that the Government's media policy-on-the-run continued when it flagged moves to introduce new laws forcing TV networks to hand back a \$250m plus tax windfall if they don't produce enough Australian TV shows. This is despite penalties already being in place guaranteeing Australian shows make up 55 per cent of their 6am to midnight broadcasts.

### A drop in the ocean

Lack of clarity, technical ignorance and a rushed timeframe doomed the Government's aborted tender for the original national broadband network from the start, costing more than \$30m in private and public funding. A report from the **Australian National Audit Office** reveals more than \$17m of taxpayer funds was wasted under the terminated tender, including \$11m for consultancies and \$600,000 in pay for members of the panel that provided the advice to dump the project in favour of a \$43b fibre-to-the-home network.

### The fingers on one hand

Five sites have been chosen to test the \$43b national broadband network's design and construction methods before it is rolled out to the rest of Australia. The tiny town of Willunga in South Australia, the suburb of Brunswick in inner northern Melbourne, a site in Townsville, the New South Wales coastal communities of Minnamurra and Kiama Downs, and an area to the west of Armidale in New South Wales, have been chosen for the testing, *The Australian* reported.

### Kaiser chief

Queenslander **Mike Kaiser**, a former Labor politician, was appointed in late November to the \$450,000-a-year role as head of government relations and external affairs for NBN Co, the government-owned company set up to build the \$43b broadband network. He was recommended by Communications Minister **Conroy**. The company's chief executive, **Mike Quigley**, told a Senate estimates hearing that Kaiser was personally recommended to him by Conroy, and was appointed without any other candidates being considered. Kaiser, now 46, was elected to Queensland Parliament in 2000 but chose not to recontest his seat a year later after he was identified for allegedly being part of electoral registration irregularities in 1986. Kaiser was never charged over electoral fraud offences, which Conroy described as youthful indiscretions. Following his time as an MP, Kaiser an electrical engineering and economics graduate, served as chief of staff to Queensland Premier **Anna Bligh** and former New South Wales Premier **Morris Iemma**, *The Age* reported. *The Australian* reported that Kaiser lobbied the Prime Minister's office to locate the NBN headquarters in Brisbane only months before he was giving his job there.

### Yep

In February, Telstra reported an almost 7 per cent slide in revenue in fixed line services. Almost 10 per cent of Australian homes now have mobile phones only. In the United States, one-fifth of homes have no landlines, *The Age* reported.

### Bread and dripping

Personal computer suppliers will be asked to jump through additional hoops for wafer-thin profit margins under a move to centralise the government's purchase of equipment worth up to \$400m over three years. The Department of Finance will force federal agencies and departments to buy desktops, notebooks, monitors and services, including installation and disposal, through a panel

of approved suppliers. The public sector research director of Ovum, **Kevin Noonan**, said places on the panel would be fiercely contested by suppliers who had been living on bread and dripping, the *Financial Review* reported. Those that miss out on a position on the panel are expected to be left with a revenue shortfall running into tens of millions of dollars. The Canberra PC market is dominated by the world's four biggest computer companies – Hewlett-Packard, Dell, Acer and Lenovo. All four will be desperate to win a place on the panel being appointed by the Department of Finance.

### Birks takes stock

Innovation Minister **Kim Carr** defended proposals to change research and development tax concession laws, in the face of mounting fears across the technology sector that they could cripple local investment. IT industry representatives, led by Australian Information Industry Association chief executive **Ian Birks**, met officials from Treasury and the Department of Innovation in a bid to change the proposals before they pass into law, the *Financial Review* reported.

### Whoo-hoo?

*The Australian* newspaper has launched a new News Limited service called 'The Hub' – a free online media monitoring service customised for IT professionals – at an event attended by Communications Minister **Stephen Conroy** in Sydney. In a world first, The Hub's Global Technology Radar provides a free proprietary online search system, previously accessible only to paying subscribers.

### A new development

A public company has been established to develop a national electronic conveyancing system, in a major breakthrough in the long-running battle for a uniform approach that will save hundreds of millions of dollars. The company, to be called National E-Conveyancing Development Limited, will be chaired by **Alan Cameron AM**, a lawyer and former chairman of the Australian Securities & Investments Commission. Three state governments, New South Wales, Victoria and Queensland, are owners of the company and contributed \$5m in equity. Last year the Federal Government rejected a request for \$20m to establish the company.

One of the problems has been making sure every interest group – the lawyers, states, conveyancers and bankers – agrees on the best approach, *The Australian* reported.

### Something in common

The *Financial Review* reported that rock guitarists, auctioneers, the technical director of the Sydney Opera House and other users of wireless technologies all have something in common: they want the Government to pay the multi-million dollar bill they collectively face for replacing their wireless microphones and transmitters if the analogue television signal is switched off. The Government's proposals mean that 85 per cent of the 130,000 wireless audio devices used in Australia – which operate in the gaps between TV stations – would be made obsolete, according to the Australian Wireless Audio Group.

### Dumbing down the bush

More than 200,000 Australians in regional and remote areas will be given access to the same number of television stations as city dwellers under a \$160m government plan to establish a satellite television service. But consumers will have to pay as much as \$600 for a satellite dish to receive the signal as the Government presses ahead with its planned abolition of analogue television broadcasting in favour of digital services. Once linked to the service, consumers will receive all stations now available in cities, including new digital stations, and will also be able to access locally produced news bulletins, *The Australian* reported.

### Ummm

The race to bring 3D TV to Australia is on, with Sony demonstrating two models it plans to have on sale by July, just days after Panasonic unveiled its 3D rival. Both work with glasses featuring electronic shutters to generate the effect of depth. It is estimated that the glasses will cost between \$200 and \$400 a pair, *The Age* reported.

### Space relations

Fifty-years of space relations between Australia and the US have been extended with a new agreement formalised between Innovation Minister **Kim Carr** and the US ambassador **Jeffrey L. Bleich**. Since 1960, the agreement has resulted in over

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#### Not ii

Australian telcos and download enthusiasts came out on top after the Federal Court in New South Wales rejected a landmark legal bid to make internet service providers liable for online copyright infringement. A group of 34 major entertainment companies desperately hoped to convince the court that Perth-based internet firm iiNet authorised its customers to engage in acts of illegal file sharing on peer-to-peer networks, *The Australian* reported.

## CLIMATE CHANGE. ENVIRONMENT. ENERGY

#### The thing itself

*The Age* reported that **Tony Abbott** has based his climate credentials on \$1b annual fund that would give farmers and industry incentives to cut emissions, along with large-scale tree planting in Australian cities and a boost to solar energy. The proposal – an alternative to the government's emissions trading scheme – was criticised by **Kevin Rudd** as nothing more than a climate con job, damned as weak by environmentalists and received a cautious response from business groups. The package included a 5 per cent emissions cut by 2020 based on 1990 levels, \$2.5b over four years for industry to reduce emissions, two thirds of emissions cuts to come from storing carbon in soil, \$100m to install one million household solar

panels by 2020. The overall package would see \$3.2b spent over four years and \$10b over 10. *The Australian's* political editor **Dennis Shanahan** wrote that the Leader of the Opposition has turned Coalition policy on its head and is going to run a scare campaign on rising costs for energy and food. *The Age* reported that the Climate Change Department says the Opposition policy would deliver less than one third of the cuts necessary, at the funding level proposed. One of the chief backers of storing carbon in soil, the Wentworth Group of Concerned Scientists, says farmers hoping to reduce emissions will get more money from the Government's emissions trading scheme than the Opposition's climate policy.

#### Winding back the clock

Australia's climate change debate was wound back three years as the Opposition reopened an argument about whether an emissions trading scheme is the cheapest and most effective way to cut greenhouse gas emissions. **Kevin Rudd** warned opposition leader **Tony Abbott** he will need a 'mega tax' to pay for the Coalition's latest plan to cut greenhouse gas emissions that places considerable emphasis on energy efficiency, gas-fired power and so-called green carbon measures that aim to increase the rate at which soils and plants remove carbon dioxide from the atmosphere, the *Financial Review* reported. Abbott has ridiculed Rudd's claims, vowing new policies will not involve new or increased taxes. Also, Abbott appears to have won the National's broad support for his climate change policy, removing an obstacle that dogged the leadership of his predecessor, **Malcolm Turnbull**.

#### Normally confidential

The government has released normally confidential advice saying **the Abbott plan** would not cut the nation's carbon emissions, but drive them up 13 per cent. But the opposition has rejected the Department of Climate Change brief as dodgy, branding the Government as desperate to counter a public backlash against the planned carbon emissions trading scheme, *The Australian* reported.

On the opinion pages of *The Age*, **Paul Howes**, national secretary of the Australian Workers Union, wrote that the opposition leader's regulatory response leaves plenty of doubt and they have adopted a short term election oriented strategy. The AWU supports the Government's carbon pollution reduction scheme. Accepting that big changes were needed as industries moved to a lower carbon economy, the union worked with the Government to secure investment and jobs.

#### Their two cents

The Coalition climate change policy would cost taxpayers more than twice as much as the Government's emissions trading scheme, a report by carbon market analysts at Bloomberg New Energy Finance found.

#### The argument continues

The Opposition has seized on US President **Barrack Obama's** acknowledgement that Congress may not pass his proposed emissions trading scheme this year, as the Government claimed there was a \$15b funding hole in **Tony Abbott's** climate policy, *The Age* reported. *The Australian* reported that Obama has proposed a \$US6b program to help millions of American homeowners make their houses more energy-efficient with government rebates of up to \$US3000. He said homeowners would be eligible for immediate rebates of up to \$US1500 for upgrading their insulation, ducted heating, water heaters, air-conditioners, windows, doors and roofing.

#### They'll do it at the last minute

The long expected reintroduction of the emissions trading legislation to Parliament in late February passed in the House of Representatives, 79 votes to 57. **Malcolm Turnbull** crossed the floor to vote for the scheme. It has not passed in the Senate. The Rudd Government is delaying pushing ahead with its emissions trading scheme. Instead, the Government shifted its priorities to force a vote on its proposed changes to the private health insurance means test, potentially creating a trigger for a double dissolution election, as health looks set to be a key battleground during this election, *The Age* reported. **Michelle Grattan**, of that paper, says that the double dissolution option is very much alive. However, *The Australian* reported that Labor has all but ruled out an early election, with **Kevin Rudd's** political strategy aimed squarely at no poll for at least six months.

#### This is the best solution

**Dr James Hansen**, the director of NASA's Goddard Institute for Space Studies and the man dubbed 'the godfather of climate science', said the emissions trading model backed by the government was a non-solution, while the opposition did not accept man-made climate change. He supported the Greens' plan of an interim carbon tax starting at \$23 and rising with inflation. Hansen brought global warming to the world's attention through testimony before the US Congress in 1988. Hansen said the answer to climate change must be a rising carbon tax and alternative technologies competing: nuclear, renewable energy sources and energy efficiency.

#### Entrenching scepticism

**Kevin Rudd** has put the Great Barrier Reef at the centre of political combat over climate change policy, by telling Parliament it would be obliterated in the worst-case scenario that 'temperatures went through the roof'. But for the second year running, the reef has defied predictions of its imminent demise, with researchers from the Australian Institute of Marine Science reporting that mass coral bleaching is unlikely this summer. It is a finding that will entrench scepticism about gloomy forecasts for climate change, *The Australian* reported.

### It's our geography

*The Australian* reported Australia is looking increasingly isolated in the global community as **Kevin Rudd** presses on with his Government's emissions trading scheme. US President **Barrack Obama** admitted recently he might have to abandon his proposal for an emissions trading scheme in favour of direct action in order to steer his carbon-cutting plans through the US senate. The paper's national affairs correspondent, **Jennifer Hewett**, wrote that voters are watching industry reaction to clues on how to view the rival climate plans. Meanwhile, **Dennis Shanahan** wrote that the Government failed its first GST-style test over the details of its emissions trading scheme and the compensation being offered to Australians for rising prices by bumbling and muttering their way through questions posed in Question Time on the issue.

### Editorialising

An editorial in *The Australian* said **Kevin Rudd's** Carbon Pollution Reduction Scheme is just one approach to the problem of climate change and continues to be strongly contested around the world. Well respected commentator **Paul Kelly**, wrote in the same paper that **Tony Abbott** has painted the Government into a corner over its emissions scheme. Labor is at a crossroads, with Rudd facing a test of character.

### Across the floor

On the opinion pages of *The Age*, **Kenneth Davidson** wrote that **Kevin Rudd** missed an opportunity to dump the failed emissions trading scheme and that cap and trade emission plans are fundamentally flawed. Meanwhile, in his first speech to Parliament since losing the opposition leadership, **Malcolm Turnbull** praised the Government's emissions trading scheme as being in tune with Liberal party philosophy and tradition.

### Clouded atmosphere

The Australia Industry Group, which last year strongly backed the Government's emissions trading scheme, has declared that it is now on life-support and the way forward for climate policy is very unclear, *The Age* reported.

### It's got to be nuclear

Australia will have to build dozens of nuclear power plants – or resort to creative accounting – to meet the target set by Labor's emissions trading scheme, a US study has found. The analysis, prepared by **Roger Pielke jnr**, professor of environmental studies at the University of Colorado, warns that it is impossible to predict how fast economies can decarbonise, *The Age* reported.

### No to nuclear

**Kevin Rudd** has again ruled out a civil nuclear power industry in Australia despite US President **Barack Obama** paving the way for the first (three) nuclear reactors in the US since the 1979 Three Mile Island disaster, *The Australian* reported.

### Maybe to nuclear

A vote on nuclear power at a Melbourne Town Hall debate on energy in early March rated 40 per cent for, 55 per cent against and 5 per cent undecided. The nuclear issue has been in the news since Christmas.

### Other US News

As support for a bill to cut greenhouse gas emissions in the US falls away, oil giants BP and ConocoPhillips and heavy equipment maker Caterpillar said they would not renew their membership in the three-year-old US Climate Action Partnership, a broad business environmental coalition that had been instrumental in building support in Washington to cap emissions. The move comes as debate over climate change intensifies and concerns mount about the cost of cutting emissions, *The Australian* reported.

### Hmmm

*The Australian* reported that the only large-scale pollution trading system in the world, run by the European Union, is failing to deliver green energy investment and will not succeed without a big hike in the price imposed on polluters, British MPs say. Their conclusion is a stark warning to the Government, which is proposing an emission trading system even more generous to heavy polluters.

### Compromise

Social justice groups are pressuring the Greens to abandon their opposition to the Government's emissions trading scheme, arguing continued rejection of the contentious bill could set back climate change policy in Australia for years. While none fully backed the Government's revamped scheme, World Vision, the Uniting Church and the Brotherhood of St Laurence each supported it being passed. They dismissed Coalition claims the scheme would hurt the poor, saying they would be adequately supported through a package paying 120 per cent compensation to low-income households, *The Age* reported.

### Renewing renewables

The Government has revamped its renewable energy target scheme to head off job losses and a 'strike' by investors reluctant to put their money into renewable energy projects. The changes could clear the way for billions of dollars of investment in large-scale clean energy ventures. Climate Change Minister **Penny Wong** and her Assistant Minister **Greg Combet** announced from January 1, 2011, the scheme would be split into two parts – the first paying a fixed price to small-scale sources such as home solar panels and the second covering large-scale projects such as wind farms, commercial solar and geothermal. The renewable energy industry praised the change – expected to lift electricity prices by about \$4 a year – saying it would halt job losses and pave the way for new investment, *The Australian* reported.

### An energised country

*The Australian Energy Resource Assessment*, compiled by the Australian Bureau of Agricultural and Resource Economics and Geoscience Australia, is a comprehensive audit of Australia's energy resources. The assessment shows coal now accounts for almost 40 per cent of the total of Australia's energy consumption, followed by oil (34 per cent), gas (22 per cent) and renewables (5 per cent, mostly from bioenergy). The report says by 2030, coal will provide only about 23 per cent of the energy Australia consumes. Gas will move in as a replacement, with the Government predicting its share will grow from 22 per cent to 34 per cent. Wind energy is expected to be the fastest-growing energy resource, helped by policy measures, *The Age* reported. The report also says that Australia could be a clean energy superpower with a rich diversity of world-class solar, wind, geothermal and wave/tidal energy resources, as yet largely undeveloped.



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**Opaque dealings**

**Rajendra Pachauri's** troubles as the head of the UN's top climate body, the IPCC, are widening, as pressure grows for his resignation amid a growing focus on his many business interests and the opaque dealings of his New Delhi-based climate institute, *The Australian* reported.

**De Boer war**

**Yvo de Boer** is resigning after a tumultuous four years as head of the UN Framework Convention on Climate Change, marked by the failure to convince governments to agree on a post-Kyoto deal and revelations of a series of blunders in the UN's 2007 report on climate change. His departure takes effect on July 1, five months before 193 nations are due to reconvene in Mexico for another attempt to reach a binding world wide accord on controlling greenhouse gases, *The Australian* reported.

**Meanwhile**

*The Age* reported that a British university's research on human activity and global warming is to be reassessed by a panel of independent scientists in an admission that the pre-Copenhagen e-mail scandal has tarnished climate science. The University of East Anglia has announced it will conduct an independent external reappraisal of the science in papers and publications produced by its world-renowned Climate Research Unit.

**Moral grounds and airs**

Addressing a business breakfast in Perth, former defence force chief **Peter Cosgrove** said strong action against climate change was crucial and it was 'almost immoral' to export uranium to less technologically advanced countries to use in nuclear power plants while refusing to have one in Australia, *The Australian* reported.

**BUSINESS. ECONOMY. TAX****It doesn't rain in Australia**

OECD has praised Australia's resilience in the global crisis but called for a 'rainy day' fund to quarantine budget surpluses in the next resources boom, *The Australian* reported. Nearby, Reserve Bank Governor **Glenn Stevens** says there is a trade-off between interest rates and budget spending, with a fast return to budget surplus allowing interest rates to be kept lower for longer. However, the most urgent question for central banks would be whether governments had enough discipline to bring their budget spending back under control, he told a Reserve Bank symposium.

**We're open**

Reserve Bank of Australia governor **Glenn Stevens** has declared that Australia is open for business, in an optimistic assessment of the nation's growth prospects and raised interest rates .25 per cent accordingly on March 2, the *Financial Review* reported. Meanwhile, *The Australian* reported that Stevens has criticised the banking regulator's draft guidelines on bank liquidity, arguing a light touch should be applied to regulating the banking

system. Stevens said attempts to regulate high-risk financial practices would simply push them into the unregulated sphere.

**It's an election year**

Business and tax specialists have reacted to Prime Minister **Kevin Rudd's** decision to delay releasing the Henry review of the nation's tax system, the *Herald Sun* reported. The Taxation Institute of Australia said it was extremely concerned that tax reform had been pushed down the Government's list of priorities. Treasurer **Wayne Swan** promised it would be released in early 2010, but more than three months later there is no sign of the review, with Rudd saying the Government was still working its way through the report. An editorial in *The Australian* called on the Government to release the Henry review for a sensible tax debate.

**Business and maternity**

The Business Council of Australia, the Australian Industry Group and the Australian Chamber of Commerce and Industry all condemned **Tony Abbott's** plan to pay parents up to \$75,000 to stay at home for the first six months of their baby's life; paid for by a tax on Australia's top 3,200 companies. The move means Abbott is breaking a promise made in February to go to the election with policy ideas funded without new or increased taxes. His parental leave plan would dwarf the Government's raising \$2.7b by putting a 1.7 per cent levy on the annual taxable income over \$5m of big companies, *The Age* reported.

**Predators wiped out**

The *Financial Review* reported that predatory share offers are set to be abolished under Government reforms to permit listed companies to refuse requests for access to their share registers if they are not made for a proper purpose.

**A clearer view**

Australians will get a clearer picture of the workings of the Foreign Investment Review Board, with an expanded board to review and improve communication of foreign investment policy. Treasurer **Wayne Swan** announced that FIRB would be extended from three members to four, and its first duty would be to better communicate Australia's investment guidelines here and overseas, *The Age* reported.

**Hobble your horses**

The *Financial Review* reported that business warned Treasurer **Wayne Swan** that research and development spending could be cut and innovation hobbled because of the proposed tightening of tax rules for R & D subsidies. The claims are in response to the Government's draft legislation on R & D tax breaks.

**Post script**

Shadow treasurer **Joe Hockey** has warned Australia Post against expanding its financial services to compete with the major banks, amid heightened speculation that the Government wants to use the company to increase finance sector competition, the *Financial Review* reported.

**Enhanced integrity**

The corporate regulator's ability to enforce new reporting guidelines for sharemarket capital raisings has been called into question, with some experts also criticising the monitor for shifting the burden of compliance to listed companies. In a bid to enhance the integrity of the sharemarket, the Australian Securities and Investment Commission released a discussion paper on the handling of confidential information, the *Financial Review* reported.

**The real of life**

Australia's largest superannuation fund is removing an ethical exclusion from its sustainable investment fund because the range of listed companies that fit the criteria is too narrow. AustralianSuper's Sustainable Balanced and Australian Sustainable Shares options will no longer exclude companies that receive less than 5 per cent of their revenue from selling or making alcohol and cigarettes, or from gambling, mining uranium or making weapons.

**On a roll**

Investors will be able to roll over capital gains tax payments when their portfolios are affected by mergers and takeovers under new legislation, without having to apply for special treatment, the *Herald Sun* reported. The Australian Shareholders Association welcomed the reform but said it was unlikely to apply to a large number of transactions.

**Argie bargie over at BHP**

BHP Billiton chairman **Don Argus** will hand over the reins to **Jac Nasser** on March 30, ending a reign of almost 11 years, the *Herald Sun* reported. **John Morschel** will replace **Charlie Goode** as chairman at ANZ.

**Slow melt**

Investors could be forced to wait up to four years to recover their money from frozen mortgage funds. Property analyst **Owen Lennie**, managing director of investor group Light of Day, said just half a dozen of the nation's 200-plus property funds are expected to reopen for redemptions in the next 18 months, and even then on a highly restricted basis, the *Financial Review* reported.

**You can build a national broadband network for that amount**

A Productivity Commission report into the \$43b not-for-profit sector has called for a broad overhaul of funding and tax arrangements for the nations 600,000 non-profit organisations, which employ around one in 12 Australian workers. The sector is heavily reliant on 4.6 million volunteers, who provide the equivalent of \$15b of work. Australian Council of Social Service chief executive **Clare Martin** said improvements in how Government contracts were administered would help agencies retain staff, *The Age* reported.

**Watching**

Tax Commissioner **Michael D'Ascenzo** told company boards to prepare for changes that will require greater disclosure of tax risks in their financial accounts as his audit boss flagged



increasing scrutiny of the largest corporate groups amid stalling tax receipts and rising losses, the *Financial Review* reported.

### Timber!

The government is considering making it a criminal offence to import timber that has been illegally harvested overseas. The law would be established next to a voluntary certification and verification program for timber importers, which would be set up through a range of agreements with developing nations such as Papua New Guinea and Indonesia, *The Age* reported.

### The best you can be

The Australian Institute of Company Directors recently undertook a review of its brand with the purpose of repositioning the organisation as a leader and to enhance the experience of its members and those consuming the brand: 'The Australian Institute of Company Directors is the only professional membership you need to be the best director you can be'. The official launch took place on 23 February with an updated website. This will be followed by a number of changes to member services, publications and collateral over the coming months. The logo was redesigned and a number of changes have been made to the website. Publications such as *Company Director* and *The Boardroom Report* will also undergo a series of changes that reflect the new brand. The editorial style of both will remain the same, as research and feedback suggests that members are satisfied with the current offerings, the *Company Director* reported.

## IMMIGRATION

### Stitching the net

Australia will target people from 10 countries for stringent new Visa checks in a push to prevent terrorists getting through the security net. Visa applicants from countries identified as high-risk will soon have to submit to fingerprinting and facial imaging, known as biometric checking, *The Age* reported.

### Rudd's tent city

The cost of running Christmas Island has risen by \$132m as the Government struggles to cope with the surge in unauthorised boat arrivals, the *Herald Sun* reported. *The Australian* reported that immigration officials will put up extra tents to accommodate the growing population of asylum seekers on Christmas Island. Seventeen boats had been intercepted this year by the beginning of March. The Government has commissioned a secret land audit on Christmas Island as it prepares for a detainee population predicted to reach 5000 in four years. Watch this Darwin area.

### Struggle sector

The Government is set to overhaul Australia's skilled migration program including amendments to the 'migration occupations in demand list', but industry bodies fear it will throw the flagging international education sector into further disarray.

### Nearby

The Government's chief advisory body on workforce development, Skills Australia, has identified the 22 occupational areas likely to form the basis of Australia's revamped skilled migration program. Doctors, nurses, engineers, scientists, plumbers, mechanics and electricians are among the workers most likely to be missed and Skills Australia believes a shortage of their skills could cripple the economy, the *Financial Review* reported.

### A way in

Almost a quarter of international students choose to study in Australia in order to become permanent residents, *The Age* reported.

### A queue question

*The Age* reported that the art of queuing is to be made part of the citizenship test for immigrants to Britain. Foreigners applying to settle in Britain will have to learn about the practice of forming a line for everything from buses to sandwiches. British ministers claim a lot of tension is caused by immigrants not understanding that they must wait in line for services rather than barging to the front.

### Room for one more?

Former One Nation leader **Pauline Hanson** has revealed plans to sell her Queensland property and resettle in Britain, saying she wants peace and contentment in her life.

## FOREIGN AFFAIRS

### Mr President

US President **Barrack Obama** and his family will visit Australia in the second half of March. The Prime Minister said he would like the President to address Parliament, but it was not certain yet what city they would be in. As it turned out, Obama will address a joint sitting of Federal Parliament on March 23. The last American President to address the Australian Parliament was **George W. Bush** in October 2003. Rudd may visit the US in April to discuss nuclear non-proliferation with officials there. On a different plane, **Obama** had a low-profile meeting with the **Dalai Lama**. The two spoke about democracy, human rights and the need to preserve Tibet's religious identity and culture – all issues that, predictably, irritated Beijing, *The Age* reported.

### Susilo

Indonesian President **Susilo Bambang Yudhoyono** addressed both houses in early March.

### Real Australians

*The Australian* reported the Rudd government has taken the rare step of publicly reprimanding Israel over the forging of three Australian passports, belonging to three 'real' Australians, believed to have been used in an assassination plot by Israeli spies in Dubai. Former Foreign Minister **Alexander Downer** said the decision to call in the Ambassador was a public rebuke and reflected Australia's conviction that Israel was involved. Former ambassador for Australia to Israel **Ian Wilcock** has revealed he warned the Israeli government

more than a decade ago not to fake Australian passports for intelligence operations. Whilst it was first thought that 11 Mossad agents were used to kill a Hamas leader it is now apparently 26. The *Herald Sun* reported that the three Australians whose identities were stolen are now living in fear for their lives. The three – **Nicole McCabe**, **Adam Korman** and **Joshua Bruce**, all from Melbourne – now live in Israel.

### Give them passports and everything

**Kevin Rudd's** bid for a UN Security Council seat has been dealt a blow after a warning from the Arab League that it is less likely to succeed because of Australia's support of Israel, *The Australian* reported.

### A cover up?

The Chinese-born benefactor of former defence minister **John Fitzgibbon**, **Helen Liu**, is being pursued by a Beijing state-owned enterprise accusing her of a multimillion-dollar fraud involving illegal transfer of funds to Australia, *The Age* reported.

### Agent of influence

Private records of Chinese businesswoman **Helen Liu** close to former defence minister **Joel Fitzgibbon** indicate he received substantial payments as part of a campaign to cultivate him as an agent of political and business influence, *The Age* reported.

### Happy New Year

Chinese prosecutors stepped up their case against **Stern Hu** and three Rio Tinto colleagues by formally indicting them for accepting massive bribes and obtaining commercial secrets at the expense of Chinese steel mills, *The Age* reported. The Chinese New Year began on February 15.

### Ocean shadows

*The Financial Review* reported that **Kevin Rudd** will take Japan to court by November if negotiations to stop whaling in the Southern Ocean fail, casting a shadow over relations between the two countries ahead of a visit by Japan's Foreign Minister, **Katsuya Okada**, to Australia.

### Sorry

The British Government made its national apology to all former child migrants from the UK on 24 February 2010, with receptions to mark the occasion in Perth, Melbourne, Sydney and Brisbane on 25 February.

### Wheelchair bound Beazley

**Kim Beazley** slipped on ice outside his Washington residence and had keyhole surgery for tendon damage, delaying the ceremonial presentation of the new ambassador's credentials to President **Barrack Obama**, *The Australian* reported. He was photographed in his wheel chair in the Oval Office.

### Vale

The death toll of the Haiti earthquake reached 230,000, equalling the Asian tsunami, *The Age* reported. Seven hundred and ninety-six people have been confirmed dead in the Chilean earthquake, the *Herald Sun* reported.

**It'll be a movie**

**Angelita Pires**, the Australian lover of slain rebel leader **Alfredo Reinado**, has been acquitted of conspiring to kill East Timor's top two public figures, *The Age* reported.

**End times**

**Ian Paisley** has announced he will not stand again for Britain's Parliament in this year's general election. He defended his power-sharing deal with Sinn Fein in Northern Ireland. The 83-year-old former Northern Ireland first Minister said the Democratic Unionist Party had done the deal with Sinn Fein because the public wanted a compromise.

**JUSTICE****Another crack**

The corporate regulator has been given the all clear to run a second civil penalty case against former AWB chief executive **Andrew Lindberg** over the Iraq kickbacks scandal, after the Victorian Court of Appeal unanimously said the trial judge's decision to halt it was wrong. The strongly worded decision represents an emphatic victory for the Australian Securities and Investments Commission, which weathered three high-profile losses in three state courts in December. The appeals court said Justice **Ross Robson's** decision to permanently halt ASIC's second case was wrong and substantial injustice would be done by leaving the decision reversed. Court of Appeal president **Chris Maxwell**, Justice **Mark Weinberg** and Justice **Peter Buchanan** drew attention to the public interest in allowing authorities such as ASIC to pursue allegations of wrongdoing. They said imposing a permanent stay was a drastic step and should be done only in exceptional circumstances, *The Age* reported.

**Just like everyone else**

*The Age* reported that judges wanting jobs on the High Court bench would have to apply for the positions under the changes proposed by a Senate committee that also recommends lifting judges retirement age from 70 to 72. Vacancies on the High Court bench should be advertised and the attorney-general should make public the number of shortlisted candidates and confirm their selections based on merit, the committee says.

**Not like everyone else**

The Senate comprehensively defeated a bid to legalise gay marriage, although a third of the senators did not turn up for the vote. Before the gay pride Mardi Gras in Sydney, the legislation was rejected by 45 votes to five, with only the Greens voting to liberalise the marriage laws, *The Age* reported.

**Good Lord**

The future of the planned national regulation of the legal profession has been thrown into doubt after High Court Chief Justice **Robert French** joined the leaders of the profession in rejecting key aspects of the proposed system. Chief Justice French has informed the federal-state task force that is designing the new system that the nation's

chief justices want the plan changed to ensure the system is controlled by lawyers and judges. Acting on behalf of the Council of Chief Justices, he wrote to the task force stating that lawyers should form the majority on the proposed peak national regulator and should be appointed independently of governments, *The Australian* reported.

**Keane to replace**

**Pat Keane** replaces outgoing Federal Court Chief Justice **Michael Black**.

**DEFENCE. SECURITY****First time again**

A raid in which five Afghan children were killed could result in combat related charges against Australian soldiers for the first time since the Vietnam War. Two internal Defence Force investigations are understood to have raised serious concerns about whether the soldiers – reservists from the Sydney-based 1st Commando Regiment – breached their rules of engagement. The incident occurred in February, less than two months after NATO issued a directive to the international forces in Afghanistan stipulating that Afghan forces must lead all searches of homes and religious sites, *The Age* reported.

**Seminal decision**

*The Herald Sun* reported that Australian soldiers fighting in Afghanistan have been banned from having their sperm frozen and stored at taxpayers' expense. More than a dozen soldiers joined the program before they left for Afghanistan but defence officials have ruled that soldiers need a valid medical reason to join the free fertility service. The risk of death fighting for one's country apparently is not enough.

**Ouch**

Two soldiers wounded in Afghanistan in February brought to 101 the number of Australians wounded since they were first sent to the conflict in 2001.

**Augmented reality**

This year, Defence chief information officer **Greg Farr** will be dealing with everything from augmented reality technology in fighter planes to emerging opportunities in cloud computing and collaborative applications. One of the key trends on Defence's agenda this year will be augmented reality. And according to Farr, a combination of low-cost micro sensors such as accelerometers, advanced mobile processors and mobile operating systems will drive the trend, *The Australian* reported.

**The impetuosity of youth**

ASIO is putting young, inexperienced officers in senior jobs, as the domestic spy agency struggles to absorb an influx of recruits hired in an unprecedented expansion of the organisation. Key positions in combating terrorism and detecting foreign spies have been left vacant as ASIO trains new officers, recruited in slick advertising campaigns targeting generations X and Y. The organisation's staff has doubled to 1,609 (to peak at 1,860 next year) in the past six years, but two thirds have less than five years experience,

according to its unreported submission to the Joint Parliamentary Intelligence and Security Committee in February, *The Age* reported.

**Put them out of their misery**

Two of Australia's six trouble-plagued Collins class submarines – the whole fleet which has been dogged by mechanical problems since HMAS Collins was launched in 1996 – will be out of action for a combined total of at least nine years. HMAS Farncomb was recalled to port after suffering generator failure, while HMAS Collins is on restricted operations as a result of problems with its diesel engine, *The Age* reported.

**Nearby**

*The Age* reported that more than \$7b worth of major defence projects are over budget or behind schedule, Defence Materiel Minister **Greg Combet** revealed.

**The fabric of our relations**

The Government has cancelled defence plans to allow material made in China to be used for the combat uniforms of Australian soldiers, the *Herald Sun* reported.

**Whoa man**

The *Herald Sun* reported that just 30 of the 537 most senior officers in the Australian Defence Force are women.

**Wagging tails of bureaucracy**

The ordeal of **Sabi**, the seven-year-old black Labrador bomb dog who survived alone in Afghanistan for 10 months after being separated from her platoon following a car bombing, continues. She could be forced to spend an extra six months in quarantine in England or another country after she leaves Tarin Kowt. Her handler, Sergeant David, wants to adopt her when she retires, the *Herald Sun* reported.

**Compromise is the art of a good bureaucrat**

**Kevin Rudd's** election pledge to boost the Australian Federal Police by 500 sworn officers cannot be achieved without compromising the effectiveness of the force, an independent auditor has found. Former police head **Roger Beale** has found massive funding shortfalls in key areas of the AFP, including international deployments and the five-year plan to increase the number of investigators unveiled by the Prime Minister before Labor's 2007 election victory, *The Australian* reported.

**What's your tippie?**

The second-in-command of Australia's armed forces, Lieutenant General **Ken Gillespie**, has admitted the army has an alcohol problem and demanded that officers tackle a culture of heavy drinking, *The Age* reported.

**Posthumous pardon**

A petition to pardon Harry 'Breaker' Morant and Peter Handcock, Australian soldiers executed by the British for the murder of prisoners in the last days of the Boer War, has been forwarded to the Queen by Attorney General **Robert McClelland**, *The Age* reported.

## AGRICULTURE. WATER

### What about a lunch box?

*The Australian* reported that **Northern Australia** will never become a food bowl capable of replacing the drought troubled Murray-Darling, despite massive irrigation plans and a billion litres of rain a year, a Government taskforce has concluded. The expert panel, comprising the **Northern Australian Land and Water Taskforce**, released a landmark report into economic opportunities for the northern parts of Queensland, the Northern Territory and Western Australia that places new and strict limits on the region's potential for agricultural production. Apparently, the research report did not consider building dams because it was against Labor policy. The Northern Australian Land and Water Taskforce relied heavily on the work done by the CSIRO's Northern Australia Sustainable Yields project, whose scientists were told not to worry about investigating dams.

The original chairman of the Northern Australian Land and Water Task force, Liberal Senator **Bill Heffernan**, has called for a Senate inquiry into the processes and outcome of its final report. Meanwhile, the taskforce has called for more flexible laws to secure land and water entitlements. Taskforce member and National Farmers Federation president **David Crombie** said types of tenure varied between Western Australia, the Northern Territory and Queensland, and they all offer different opportunities. The taskforce's report said one of the keys to increased agricultural production was the reform of land tenure and water licences.

### Spread the beef

*The Australian* reported that **Paul Holmes a Court**, chief executive of the Heytesbury cattle empire, which stretches across the Northern Territory and into Western Australia, has warned the \$700m live-cattle export industry is under threat of collapse from plunging profits, Indonesia's growing import restrictions (they have moved to limit Australian imports after indicating they want to become self-sufficient in beef) and animal welfare concerns. Speaking in Perth at the annual meeting of Western Australia's Pastoralists and Graziers Association, Holmes a Court said that cattle prices were falling while labor, fuel and other costs continue to rise.

Agriculture Minister **Tony Burke** told the meeting there was concern Australia exported 90 per cent of its live-cattle to Indonesia and he encouraged the industry to spread the risk by branching out to countries such as Vietnam.

### Mad cow countries

The Government rescinded its nine-year ban on beef imports from mad cow countries at the beginning of March (Stop press. The ban remains for the time being). A spokesman for Coles said that regardless of impending changes to beef importation laws they had no plans to sell anything other than Australian beef. And a Woolworths' spokesman said 100 per cent of its fresh meat was Australian and the organisation had no plans to change that. But he said the supermarket could not control what beef went into processed foods, such as meat pies and canned beef. Australia banned British beef in 1996, and extended the ban in 2001 to beef from other countries that recorded cases of the brain wasting bovine spongiform encephalopathy, which can infect people who eat contaminated meat. North American beef was banned in 2003 after three cases were reported in the US and 17 in Canada, *The Australian* reported. Meanwhile, the *Herald Sun* reported that Coles is reducing the number of stores offering 24-hour service because of poor demand. Eleven Victorian supermarkets have quit around the clock service, introducing 6am- midnight trading hours.

### The holy grails

The Government will remove interest-rate subsidies to struggling farmers, ending a key part of the 17-year-old drought assistance policy. Agriculture Minister **Tony Burke** said that the subsidies, which are the biggest component of existing drought support, would not be included in the new policy to be released soon, the *Financial Review* reported. And *The Australian* reported that Burke accused the previous government of using bogus quarantine claims as cover for protectionism, insisting Australia must open itself to competition if it expects to access lucrative overseas markets. Burke made the comments in an aggressive speech in Canberra in which he expressed his desire to tackle the 'holy grails' of agricultural policy, including drought aid.

### Opposite sides of the river

A rift has developed between the Government and farmers over the forthcoming Murray-Darling Basin plan, suggesting a major pre-election fight on water reform. Four months from the release of the draft plan, National Farmers Federation chief executive **Ben Fargher** said the Government was rushing out the plan without proper consideration of the effects on regional communities. He also accused the Murray Darling Basin Authority – which is drawing up the plan – of favouring environmental considerations ahead of human and farming needs in determining a cap on how much water can be extracted from the river system, *The Age* reported.

### Come together

The Government invites people from community Landcare groups, farmers, catchment groups, businesses, educators and individuals interested in meeting the environmental challenges of the sustainable use of natural resources to the National Landcare Forum in Adelaide, March 23 to 25: celebrating 20 years of achievement and seeking to communicate and invigorate for the challenges of the next 20, [www.nationallandcareforum.com.au](http://www.nationallandcareforum.com.au).

## MANUFACTURING

### A better (complicated) place

Electric car start-up company Better Place Australia will argue for changes to electricity billing systems to promote the rollout of greener electric vehicles. It is seeking to avoid complications which have emerged in the United States from integrating mobile transport with the static power grid. US electricity suppliers and regulators including the California Public Utilities Commission are grappling with system integration challenges, such as having lower off-peak rates for recharging EVs without causing major increases in final power bills through lifting individual consumers overall consumption, the *Financial Review* reported.

### Deceleration problems

Toyota has recalled its hybrid pinup car, the Prius, after complaints about its brakes, affecting 2,378 vehicles in Australia. It's a further blow to Toyota, which has been hurt by a global recall of 8 million other vehicles for sticking accelerator pedals.

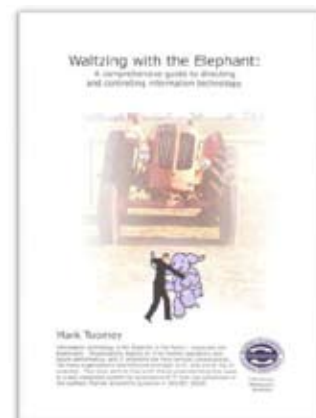
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## COALITION DOINGS

### Go Tony

*The Australian* reported that **Tony Abbott's** opposition to the Government's emissions trading scheme appears to have lifted the Coalition to its best position since the 2007 election loss, and Kevin Rudd's personal support is at its lowest since he became Prime Minister. Nearby, Liberal frontbenchers are urging former leader **Malcolm Turnbull** to pull his head in, ahead of the third House of Representatives vote on the government emissions trading scheme. They are telling him that if he must protest against Tony Abbott's climate change policies, please do it quietly.

### Joyce the free thinker and talker

Shadow finance minister **Baranaby Joyce** has called into question Australia's foreign aid. **Tony Abbott** has been forced to act on Joyce's loose public commentary, not so much because of the Rudd Government's unrelenting attack as by the serious concerns of his Liberal and Nationals colleagues, *The Australian* reported. *The Age* reported that Treasury Secretary **Ken Henry** accused Joyce of grossly oversimplifying economics during a Senate committee hearing.

### A big moment

In her maiden speech to Parliament, the newest Victorian Liberal, **Kelly O'Dwyer**, said she will focus on family, choice and wealth creation as the new member for **Peter Costello's** old seat of Higgins, the *Herald Sun* reported.

## SOCIETY

### Saint Mary

The Vatican announced that **Mary McKillop** will become Australia's first saint. Melbourne Archbishop **Dennis Hart** said St Mary was a woman of holiness, a great educator, an advocate for the poor and a visionary of Christianity. The formal canonisation ceremony will take place in Rome on October 17 and allow the expected thousands of Australian pilgrims and church leaders to attend, *The Age* reported. There will also be celebratory services in all Australian capital cities and most big Catholic churches, according to Australian Catholic Bishops Conference secretary **Brian Lucas**.

### Lucky boy

**James Packer's** wife **Erica** gave birth to a boy, **Jackson Lloyd Packer**. It is their second child. Their daughter, **Indigo**, was born 18 months ago. The baby's middle name is in honour of the Packer family's long-time friend, racehorse trainer and businessman **Lloyd Williams**, *The Age* reported.

### A portion of young Jack's inheritance

**James Packer** has been granted planning permission to build a £20m polo centre in the English countryside. The 42-year-old gambling magnate will develop a 132-hectare complex at Manor farm in West Sussex, near the secluded village of Selham, *The Age* report.

## APPOINTMENTS. JOBS. TENDERS

### Appointments

Deutsche Bank has hired former senior adviser to **Penny Wong**, **Tim Jordan**. Previously, Jordan was an adviser to **Wayne Swan** when Swan held the

shadow treasury portfolio. At Deutsche, Jordan will join the Environment, Social and Governance team as a research analyst.

### Jobs

**CrimTrac** leads the development of national law enforcement information sharing solutions and seeks a chief information officer, admin@hsexecssearch.com.au.

**The Lowitja Institute**, Australia's National Institute of Aboriginal and Torres Strait Islander Health Research, seeks a chief executive officer, lowitjaCEO@chandlerwoods.com.au.

**Meat and Livestock Australia** seeks a Regional Manager, Europe, www.mla.com.au.

### Tenders

**Infrastructure Australia**, a statutory body which advises governments, investors and infrastructure owners on a wide range of issues, is calling for public submissions to its National Freight Network Plan, mail@infrastructureAustralia.gov.au.

The **Department of Climate Change** invites parties to submit tenders to provide a Settlement Solution for the proposed Australian Carbon Pollution Reduction Scheme, www.climatechange.gov.au.

The **National Climate Change Adaptation Research Facility** invites comments on the *Draft National Climate Change and Adaptation Research Plan: Primary Industries*, www.nccarf.edu.au.

The **Insurance Council of Australia** is seeking ideas and initiatives (entries) for its \$50,000 Resilience Award that will help a community, business or individual withstand and recover from an extreme weather event, www.insurancecouncil.com.au.

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