

LETTER FROM CANBERRA

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- Sex Sharing ♦ Housing Prices
- State federal switches ♦ Federation reform
- Aboriginal change. BHP support ♦ Shorten Chief of staff resigns
- 70/30 Union reform ♦ Lots more cheap houses in Australia
- New coal mine causes fuss for Barnaby ♦ Maurice Newman says new world order
- Our Riverina and arid zone management ♦ OUR Ship building

Letter From Canberra is a monthly public affairs bulletin, a simple précis, distilling and interpreting public policy and government decisions, which affect business opportunities in Victoria and Australia.

Written for the regular traveller, or people with meeting-filled days, it's more about business opportunities than politics.

Letter from Canberra is independent. It's not party political or any other political. It does not have the imprimatur of government at any level.

The only communication tool of its type, Letter from Canberra keeps subscribers abreast of recent developments in the policy arena on a local, state and federal level.

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Letter from Canberra

A monthly digest of news from around Australia.
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About the editor

Alistair Urquhart, BA LLB

Alistair Urquhart graduated from the Australian National University in Canberra, in Law, History and Politics. He may even hold the record for miles rowed on Lake Burley Griffin.

He was admitted as a barrister and solicitor to the Supreme Court of Victoria, and remains a (non-practising) member of the Law Institute of Victoria. Previously, he graduated from high school in Bethesda, Maryland, and had many opportunities to become aware of the workings of Washington D.C.

For 30 years, he listened every Sunday evening to the late Alistair Cooke and his *Letter from America*. Alistair's 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.

He found time to be involved in a range of community activities where he came

to understand some of the practical aspects of dealing with government and meeting people across the political spectrum. He now chairs a large disability employment service, including its British operations.

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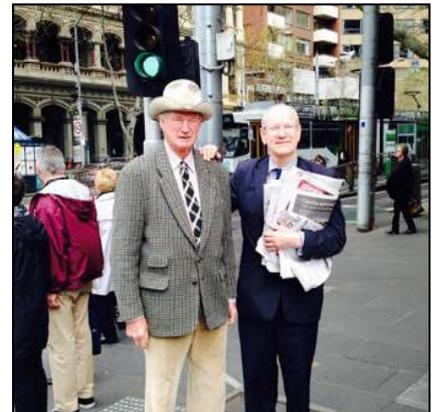
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The editor discusses the weather with a friend on the corner of Collins and Spring

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EDITORIAL**Behind the Scenes**

We are having some fortunate opportunities to see the realism of life and living and working with the union sector/arena. It is unlike the family unit mostly, the opposite of small business, big business, the public service and some of its iterations, the politicians and parliamentarians and their staff, the academic world, the health world, and the wide range of professions, and folk just sharing a community or working down the street.

This Editor has talking a hard mind to ethics and integrity and truth and fairness and civility in recent years, as a result of a few ambushes to his person.

The newspapers and the journalists have not known for quite some time that we have government elected for a certain period of years here in Australia at a federal and state level, and one could be amazed that they write and print as thought they are unaware of this fact.

Lets have some infrastructure and build and do stuff rather that have Oppositions and other opposition query every items every day.

Happy Reading.

GOVERNANCE**Same Position, Different Sex**

Prime Minister Tony Abbott has slapped down a cross-party attempt to legalise same-sex marriage, but still faces six weeks of potentially divisive debate over the issue, with conservative MP's mobilising to block any move to legislate the landmark social reform according to The Age.

The debate over same-sex marriage will come to a head when Parliament resumes in August, with a marriage equality bill moved by Liberal MP Warren Entsch and seconded by Labor MP Terri Butler and backed by a multi-party grouping to be introduced.

Too Many Warning Signs

According to Sean Carney's opinion piece in the Herald Sun, the Secretary of federal Treasury, John Fraser, declared there was a housing bubble in Sydney and parts of Melbourne. His claim was rejected out of hand by the PM and the Treasurer. Hockey responded by saying that there's no problem at all with rising house prices because people keep buying houses. Then the governor of the Reserve Bank, Glenn Stevens, chimed in, describing house prices in Sydney as 'crazy' and a 'social problem'. With such warnings, if Labor was in power, can anyone imagine Abbott and Hockey not going to town and warning of imminent, debt-fuelled disaster for hardworking Australian families?

Disclosure? What Disclosure?

Early in June, The Australian revealed that several federal MPs have refused to disclose the reasons for spending taxpayers' money on travel, have ignored requests to justify expenses, and have even claimed extra sums for the purpose of funding their election-night television appearances. These tidings emerged from a damning report by the Australian National Audit Office.

Very Expensive Advertising Campaigns

The Age announced recently that the Federal government had budgeted more than \$36 million to spend on advertising campaigns promoting its

Intergenerational Report, the 2015 Budget, and the White Paper concerning tax reform.

Federation Blues

Andrew Bragg, director of policy at the Financial Services Council, recently wrote in a column for The Australian that 'proposals for federation reform must be taken to the 2016 election. Renovating our federation is an essential reform, yet we have barely fired the starter's gun in the public debate. Just as there appears to be consensus around the need for tax reform, we need to agree that Australia's federation requires radical surgery. To get us in the mood, the federal government should issue the Green Paper of the Federation White Paper process that has been promised.'

Will lemma Do A Carr?

Morris lemma, who succeeded Bob Carr as New South Wales Premier in 2005 and held the office till 2008, is planning a return to politics. The Age described him as aiming to contest the marginal federal seat of Barton. An ALP source said: 'He is hot to trot.' A separate source said: 'With his profile he would be very hard to beat.'

Although a state-to-federal switch is much rarer for this country's politicians than for their American and German counterparts, Australian precedents do exist for such a move. Quite apart from Joseph Lyons, who in 1931 was elected Prime Minister after spending years as Tasmania's Premier, Mr Carr himself served as federal Foreign Minister in the dying months of the Gillard-Rudd government. For that matter, Sir Robert Menzies did a stint in Victoria's Deputy Premiership before Canberra's charms beckoned.

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Childcare In The Senate

The two big Budget initiatives the government has been selling are the small business tax write-off, and the childcare package. But the childcare package is looking as if it might be in trouble in the Senate in August – not because there is anything particularly wrong with it, but because it is linked to welfare cuts from last year's budget.

New Assets Test

The Federal Government is considering a breakthrough proposal to trim the Age Pension for wealthy Australians who can fund their own retirement, setting up a way to overcome a blockade in the Senate and achieve savings worth \$20 billion over a decade. Social Services Minister Scott Morrison is looking at scaling back access to the pension as an alternative to the government's controversial changes to payment rates launching talks with senators to seek a new deal on reform.

Super Concessions Questioned By PM's Adviser

Businessman Tony Shepherd, the head of Tony Abbott's Commission of Audit, has broken ranks with the PM – so The Age announced on June 23 – on the question of superannuation. He says it's time to ask whether the current, multi-billion-dollar, system of tax concessions is achieving its aim. Also, he has called for a doubling in the rate of capital gain tax, to bring it into line with income tax, and to help bring negative gearing under control.

Politicians Have a Ball

Canberra's political elite came together for the annual Midwinter Ball, with more than 600 politicians, business leaders and lobbyists raising funds for charity as organised by the Canberra press gallery. The ball was themed with the Disney hit movie, Frozen, and guests braved freezing rain to gather in Canberra's Great Hall as reported in the Herald Sun.

Who's Paying the Mortgage?

At least 41 federal politicians have claimed the Canberra travel allowance despite owning a residential or investment property in Canberra. Twenty-Seven members of Parliament and 14 senators own a residential or investment property in Canberra, or have a spouse who owns a Canberra

property, an analysis by the Financial Review reveals.

The same politicians have also claimed taxpayer-funded travel allowance for staying overnight in Canberra in the past financial year. The allowance is currently set at \$271 a night. The finding comes after it was revealed Treasurer Joe Hockey claims travel allowance despite owning a \$2 million house in the capital. This prompted Senator Nick Xenophon to urge more transparency in the accommodation perk.

Executive remuneration expert Dean Paatsch said there was no issue with politicians claiming the taxpayer funded travel allowance to stay in their own homes. 'I don't see what the big deal is. Frankly you get a far better deal from our politicians in Canberra for the dollar spent.'

Four Year Terms

Bill Shorten wants federal governments to serve fixed four-year terms eliminating endless election speculation and curbing prime ministerial power. According to The Age, this would require Australians to amend the constitution in a referendum. He believes the change would give the Australian public and businesses more certainty, liberating them from the guessing game of election timing. Editorial balance to this would include telling the media to rake off and to stop trying to change any government as soon as the next one is elected, The MediaParty should let an elected government have its elected time to work on finances, infrastructure and other stuff.

Indigenous Constitution Clause And BHP

The Australian lately announced that BHP Billiton has joined the campaign to include indigenous Australians as a specific element in the national constitution, in the wake of Tony Abbott having spoken of a long-awaited meeting on the subject, to take place during July. Repeatedly the Prime Minister has made it clear that inserting a clause in the constitution to acknowledge indigenous peoples, in a formal sense, has been a matter close to his heart for a long time.

As for indigenous advocate Fr Frank Brennan, he warned during mid-May

that the current push to recognise first Australians in the Constitution in 2017 – this push being one which Mr Abbott highly favours – could be jeopardised, unless more ambitious proposals tied to the referendum are dropped. Fr Brennan, a Jesuit, is also law professor at the Australian National University.

Agriculture's New Head

Former Productivity Commission boss Daryl Quinlivan has been appointed the new secretary of the federal Agriculture Department after former head Paul Grimes was controversially sacked. Prime Minister Tony Abbott confirmed to The Age in March that he had authorised Dr Grimes' FABULOUS NEW CHART, VERSION ELEVEN. Refer elsewhere in this Issue or go online. You should purchase several copies for the Team around you, and to give them away as thoughtful presents.

The relationship between the two men began to deteriorate last year when Joyce asked for Hansard to be changed after he gave an incorrect answer to Parliament about the numbers of farmers who had received drought assistance. Abbott announced that Quinlivan, a former deputy secretary of the department, will take over the top job for the next five years. Quinlivan also served as the deputy secretary of the Department of Broadband, Communications and the Digital Economy between 2011 and 2013.

PARTY HAPPENINGS

Credlin Rallies Women

Peta Credlin has issued a call to arms to women in the Liberal Party to fight institutionalised sexism in politics and resist the temptation to stamp on other women trying to rise to the top. Tony Abbott's chief of staff savaged the blokey culture in Federal parliament and said her party's tendency to relegate women to marginal seats had led to a lack of women in the pipeline for senior roles after the 2010 election. It also put the Coalition in a position where it risked leaving half the electorate 'pissed off and marginalised'. Credlin spoke from the floor at a Melbourne forum on gender and politics held by the Menzies Research Centre as reported in The Age.

Bumbling Bill Beard-like

From the moment this week when Bill Shorten's chief of staff, Ken Macpherson, resigned citing ill health, Labor figures have been discussing the need for the Opposition Leader to ensure there is a battle-hardened veteran to fill the vacancy according to political editor Dennis Shanahan in *The Age*.

Poll Improvement

It's good news for Tony Abbott in terms of recent opinion polls, and good news is not something of which he has had an over-abundance in 2015. According to *The Australian*, at the end of May the Prime Minister enjoyed a stronger opinion poll following than Bill Shorten for the first time in almost 14 months. The government's second budget is said to have lifted its popularity levels. Mr Shorten, meanwhile, is smarting under the news that despite his party's better-than-respectable popularity ratings, voter satisfaction with his own performance as opposition leader has tumbled to 32 per cent.

Julia Accuses Kevin Of Bullying

The Kevin Rudd versus Julia Gillard fight shows no signs of ceasing, despite or because of the ALP's defeat in the 2013 election. During early June the ABC began broadcasting a documentary series called *The Killing Season*, which included interviews with both ex-PMs. Before it even went to air, the *Herald Sun* reported Ms Gillard's allegation that Mr Rudd, 'angry with a decision she made about Question Time, approached her and "physically stepped into my space. Kevin was always very anxious to strut his stuff in Question Time." She said the incident was "quite a bullying encounter. It was, you know, a menacing, angry performance".'

We Don't Get No Respect: Blanche On Bob

Bob Hawke would never have stayed Prime Minister till 1991, or indeed have become Prime Minister in 1983, had the media at the time of his reign been as intrusive as they are now. This is the presumably authoritative verdict from Hawke's wife and biographer, Blanche d'Alpuget. In an interview which she gave to *The Australian*, she reflected on Australia's current media environment, along with

her marriage, the Labor leadership, and the present government.

During her time as biographer and journalist, d'Alpuget said that she was far more respectful to political leaders than journalists generally are today. 'Bob would never have got to be Prime Minister had the media been as intrusive into his private life as they are now, and Australia would have been much the poorer for it. Literally poorer. Let me tell you, he wouldn't have been. He couldn't have been [PM]. We haven't talked about it but he would know it. [Because of] his drinking in particular and his infidelity.'

Factional Shift in the Party

Opposition Leader Bill Shorten's right-wing faction has lost control of Labor's national conference for the first time since 1979, opening the way for a big push on traditionally left-wing issues such as party reform, same-sex marriage, tax, asylum seekers and trade. Internal party numbers obtained by Fairfax Media show that neither the major Right nor Left factions will have a majority of the 397 delegate at the triennial conference, which is being held next month in Melbourne.

Labor's right-wing faction controlled the national party through the Hawke, Keating, Rudd and Gillard governments. Loss of control means the factional chiefs will now be answerable to a handful of maverick independents, who are likely to hold the balance of power.

Among them is veteran Victorian activist Eric Dearth, who is likely to call for a reduction in union influence in pre-selections, less intervention

from the national executive and for the direct election of national delegates. Direct election was a key recommendation of a 2011 review by party elders Steve Bracks, John Faulkner and Bob Carr.

70-30 Reform

Federal Labor leader Bill Shorten has suffered a setback in his home state with the weekend's party conference in Victoria voting down his preferred '70-30' reforms to reduce union power in Labor preselections. Delegates from the Opposition Leader's own union, the Australian Workers Union, voted against the proposals to increase the weighting of rank-and-file members in preselection contests from 50 per cent to 70 per cent.

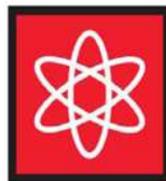
But members of the Shorten camp said he had emerged from the conference with a clear win on his other main issue, giving members a 50 per cent say in leadership ballots, and his much to end mandatory union membership for ALP members looked set to succeed at the national conference.

PM was Warned

Julia Gillard was warned by a senior right-wing powerbroker against promoting Bill Shorten into a central post in her cabinet because he would eventually turn on her, it has been claimed in the ABC series *The Killing Season*.

Palmer Sidelined

Social Services Minister Scott Morrison has given up talks with the Palmer United Party over passing four key budget measures as reported in the *Herald Sun*. The Government needs six of the eight cross bench



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senators, or the Greens or Labor, on side to pass its budget legislation, some of which requires passage before July 1.

Hock-eyed Hockey

On the face of it, Joe Hockey's advice to first-home buyers looking to get into the housing market was self-evidently correct, as some of his defenders in the party pointed out. It was not as bad as his 'poor people don't drive cars' comment, for example, but was marked as another step in a string of missteps. What exactly did the Treasurer say to kick off another round of debate about his performance?

It was a slap in the face for people with good jobs including nurses, teachers and police officers who are increasingly priced out of the market. Pouring fuel on the fire, Hockey added that housing was still affordable because if it wasn't 'no one would be buying it'. As a wise Liberal MP points out, the Treasurer's face during the media conference betrayed the exact moment he realised the insensitivity of his advice according to James Massola in *The Age*.

INDUSTRIAL RELATIONS. EMPLOYMENT

Pressure On Shorten

'Shorten's black hole' was the headline of a recent front-page report in *The Age* concerning the increasingly embattled Labor leader. Bill Shorten now has to cope with the revelation that the Australian Workers Union poured several thousand dollars into his campaign for the safe Victorian seat of Maribyrnong during the 2007 federal election. *Age* reporter James Massola wrote: 'Bill Shorten's moment of truth before the royal commission into trade unions has been brought forward to July 8, and the federal opposition leader is likely to appear more than once.'

On Thursday [June 18], Commissioner Dyson Heydon agreed to the request from Mr Shorten's lawyers to bring forward his appearance in what is widely seen as a move designed to limit potential damage.' Mr Shorten's electorate came to be known among certain Labor insiders as 'the black hole of Maribyrnong.'

North of the Murray River, further problems are plaguing the disgraced ex-parliamentarian Craig Thomson, who is being sued for having allegedly misused Health Services Union resources as part of his successful 2007 campaign for the seat of Dobell, on NSW's Central Coast. The deploying of union resources for election campaigns to the House of Representatives is a grey statutory area at present, and whatever the authorities decide regarding the Thomson case could well set a precedent on the legality or illegality of such deploying.

In the meantime, Mr Thomson's HSU nemesis Kathy Jackson has her own difficulties. She has defended her use of union funds for expensive shopping, travel, gifts, meals, and liquor. These expenses she explained by saying – according to *The Australian* – that the life of an industrial officer is 'stressful,' while admitting that she cannot remember the work-related purpose of some overseas trips.

Unions' Anti-Abbott Agenda

A recent *Financial Review* article dealt with plans by the ACTU to amass a \$13 million war chest before the 2016 federal election. The organisation thereby hopes to mobilise activists in marginal electorates, in accordance with a strategy that has two prongs: it aims to turn voters against the Prime Minister, and it seeks to arrest union membership's long-term decline. As well as pressing for an array of changes to Abbott-supported workplace laws, the ACTU Congress favours a new union charter that seeks to articulate an 'alternative vision' around six broad themes – rights at work and decent jobs; quality education; universal healthcare; dignity in retirement; decent public services; and 'a fair go for all' – the last-named of those being especially concerned with the desire of union leaders to make multinationals pay more tax. ACTU Secretary Dave Oliver wants debate about how unions can meet the challenges posed by the digital economy.

Jobs And Liberal Voters

The *Financial Review* noted late in May that Liberal voters in marginal seats – precisely those constituencies which, if hostile enough, are the likeliest to deprive Tony Abbott of a

second term in the Lodge – have given the federal government headaches because of their belief that the government is not doing enough to create jobs. This finding comes from opinion polls taken in six such federal electorates and commissioned by the union movement. Between 63 and 73 per cent of those surveyed reckoned that the government should be doing more than it has done so far for employment prospects in the areas.

Uber Frightens ACTU

The rights and wages of workers for unregulated digital companies like Uber – a phenomenon which has already become extremely influential in the USA – will become the frontline of a nationwide industrial relations campaign, according to a recent *Age* report. This comes as unions seek ways to stay relevant in the so-called 'sharing economy.' The ACTU says that the boom in freelancing websites and person-to-person networks presents a world of new problems for workplace standards and fairness: problems which seldom, if ever, cropped up in the pre-Internet age of clearly defined white-collar and blue-collar jobs.

Meanwhile, the decision by the exceptionally powerful Australian Workers' Union to abstain from voting on a resolution in support of increasing the amount that unions pay to the ACTU is embarrassing to the latter. The AWU is where Bill Shorten got his start, and it has been one of the most potent political forces in, above all, Queensland – where it sometimes made and broke ALP premiers – since the 1940s.

Union Denounces Anti-Bribery Paper

The CFMEU has slammed, according to *The Australian*, a report proposing tougher penalties for companies that pay bribes in return for industrial peace, saying that it already dismisses from office any officials who take corrupt payments. The Royal Commission Into Trade Union Governance recently issued a discussion paper which suggested that penalties of up to \$17 million be imposed upon companies making under-the-table payments to unions. It also recommended more stringent measures to enforce court orders banning pickets or boycotts, and to compel increased transparency for union election funds.

Spotless Penalty Rates

The AWU agreed during late May to trade away \$6 million of casual workers' penalty rates, according to the Financial Review, in exchange for \$75,000, through a deal which it made with cleaning giant Spotless Group. According to this deal, Spotless would hand over employees' details to the AWU, which, like most unions nowadays, wishes to increase its numbers.

Unions' Female Call-Up

A recent Herald Sun report said that trade union delegates have now committed themselves to working formally towards 50-50 female representation in elected roles of the ACTU and that organisation's affiliates. In September 2014 there was carried out a survey which demonstrated that, even though union numbers around the country are well down from their 1960s-1970s apex, 56 per cent of those who do still hold union membership cards are women.

But the chair of the ACTU's women's committee, Julia Fox, has asserted that this figure overstates the proportion of women in unions because the survey's sample was small and, moreover, skewed. Only 21 unions were examined, and these were all ones that had a higher-than-average number of female members anyway. In 2015, 40 per cent of the president, vice-president, secretary, and assistant secretary positions were held by women.

Other relevant news, this time from The Australian: another survey – one dealing with the ALP's five presidential candidates, and carried out by internal groups, Local Labor and Open Labor – showed no candidate actually opposed to

changing the party's pre-selection rules so as to give union members a direct vote. There is not agreement on transparency and accountability reforms that would transform governance of the party. The change to pre-selections would, if it was carried out, ensure that members of party-affiliated unions would be given an automatic opportunity to join the ALP, and then be given a pre-selection vote. But this would be in their capacity as individual members, and not as constituents of union blocs. Several candidates say this policy should be explored.

Wage Rise Causes Resentment, But Union Defied

The Financial Review revealed in early June that business have issued a caution about their possible need to cut back on staff, or else reduce employee hours. This warning comes despite the Fair Work Commission rejecting the union movement's minimum wage claim. The FWC awarded a modest \$16 per week increase to the nation's low-paid workers, this increase being scheduled to take effect from July 1. In a double blow to the ACTU, the FWC awarded a lower minimum wage increase this year than it did last year. It refused the ACTU's claim for \$27 per week, and it rejected that body's push to have employers pay increased superannuation contributions to 1.8 million workers.

Chevron Worried About Unions, Tax

US oil major Chevron was reported by The Australian as saying that this country needs better tax and industrial relations systems if it is to surf the industry's long-expected 'next wave' of LNG projects, after unprecedented growth helped to force construction

costs higher. The call was made by Chevron Australia's managing director, Roy Krzywosinski, in a speech at the Australian Petroleum Production and Exploration Association's annual conference, held in Melbourne.

Liberal MP On Union Power

A column on May 25 in the Financial Review, by Dan Tehan – the Liberal parliamentarian representing Malcolm Fraser's erstwhile electorate of Wannon in Victoria's west – included these comments: 'Unions play politics to the extent that 71 per cent of Labor senators are former union officials. To break this link, unions should be as accountable as companies. ... Jane Garrett, a candidate for the [ACTU] presidency, has tried to court the influential and militant CFMEU's support by backing [its] stance against the Australia-China Free Trade Agreement. In a globalised world, these myopic views on industrial action and free trade should be dead and buried.' Mr Tehan finished his column by invoking Gough Whitlam's election-winning slogan against Bill Shorten: 'It's time, Comrade Bill.'

Employment and Productivity

John Fraser, Treasury Secretary in Canberra, has called – according to the Financial Review – for bipartisan consideration of productivity-enhancing reforms, such as greater flexibility in product and labour markets. A long-time American resident, Mr Fraser has paid public tribute to the world's largest economy. America recovered unexpectedly well from the Global Financial Crisis, with national unemployment having halved of late to 5 per cent, as opposed to the 10 per cent jobless level in the USA at the post-GFC nadir.



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Happy Holidays. Very Happy Holidays

Full-time workers, pack your bags! The latest results from Roy Morgan Research revealed that Australia's full-time workforce has a grand total of 123,510,000 days of accrued annual leave. Which works out to an average of just under 21 days' leave each. That's a whole lot of holidays waiting to be taken.

For The Outsourced, Not So Much Fun

Programmed Maintenance managing director Chris Sutherland predicts, according to the Financial Review, a wave of outsourcing of labour in Australia amid a lower-growth economy. As an enlarged company with annual revenues of \$3.4 billion, following the buy-out of rival Skilled Group, Mr Sutherland's firm is better positioned to snare a large slice of that work.

McClure Behind PM Re Work Incentives

The government's welfare reviewer, announces The Australian, has backed Tony Abbott's push for more incentives to encourage people into work, as the Prime Minister opens the way for a rethink of the nation's social security system. Mr Abbott said the Coalition wanted 'appropriate incentives' built into the welfare system, to support Australians earning more. He declared that people should be 'better off' working than on welfare. Patrick McClure, whose welfare review was released in early 2015, said that the PM's comments were very much in line with his own recommendations, which include simplifying the existing maze of income support payments and supplements into just five key payments.

Crunch Time For Life Planners

Assistant Treasurer Josh Frydenberg has endorsed, according to the Financial Review, a set of proposals, including capping controversial advance commissions to 60 per cent of a policy's premium in the first year, agreed by the peak financial advice and life insurance policy bodies, in the hope of tackling problems in the industry. If the changes are put into action, financial planners stand to lose more than \$225 million in revenue per annum by 2018.

CFMEU Empire Crumbles

Australia's biggest construction union is under siege amid a record \$3.55 million payout, a push for deregistration and an expected flood of further damaging allegations at the royal commission into union corruption. The CFMEU has been forced to pay for the illegal blockade of Melbourne's Emporium shopping centre site since 2012, agreeing to hand builder Grocon \$3.55 million out of its members pockets according to the Herald Sun.

Conflict of Interest Concern

Fair Work Commission vice-president Michael Lawler supported Ms Jackson in a Federal Court battle which has fueled controversy. Ms Jackson, who has been in a relationship with Mr Lawler since 2008, was celebrated as a whistleblower after outing then Labor MP Craig Thompson over claims he used his HSU credit card, when a union official, to pay for prostitutes according to the Herald Sun.

Cash In Enforced

Employers will get new rights to direct their workers to take leave or offer to buy out up to two weeks of leave a year, under a major victory for companies in the Fair Work Commission. The ruling, which may eventually apply to the 1.8 million people employed under awards, was hailed by business but criticised by the union movement, which said low-paid workers with limited bargaining power would be forced to cash out leave and never have adequate holidays according to The Age.

BUSINESS. ECONOMY. MANUFACTURING. FINANCE

Forecasts Based on Mere Hope

Australia's most respected public policy institution has savaged the Federal Government's approach to crafting federal budgets, warning Australia's economic future is being based on 'hope' instead of real policy reform. The Grattan Institute is calling, in The Age, on the Federal Government to seriously consider increasing tax collections if it wants to repair the budget and prevent future generations from being saddled with too much debt.

It also wants the Treasury to change the way it produces its economic forecasts, saying erroneous modeling

has lead successive Federal Governments from both sides of politics, to believe that budget surpluses are just on the horizon, with dire consequences for voters.

Meeting The Challenge Of Change

On May 29 the federal government took out a half-page advertisement in The Australian under the theme of 'Meeting The Challenge of Change.' It said: 'Australia's more than two million small businesses are the engine room of the economy – they make up 96 per cent of all Australian businesses. And according to the Intergenerational Report, we need to work smarter and more efficiently to improve our economy in the future. That's why a set of change has been introduced in the federal Budget. The package includes a 1.5 per cent tax cut for small companies. There's also a 5 per cent tax discount for small businesses operating as partnerships, sole traders and trusts from July 1, 2015 ... small business will get an immediate tax deduction for a wide range of business assets costing up to \$20,000.' More details are obtainable at www.budget.gov.au

A Matter Of Confidence

John Price, Commissioner at the Australian Securities and Investments Commission, was quoted in the June issue of Company Director as saying – in his column entitled 'A Matter Of Confidence' – that a balance has to be struck between growth and stability. He encouraged boards to challenge the assumption that regulation automatically inhibits innovation.

'Many sessions [of the recent ASIC annual forum] emphasised the need to put customers first. Not merely paying lip-service to this concept but putting it in practice at all levels. In Australia, confidence in the financial sector has been eroded following a number of well-publicised scandals. Boards and their senior managers need to consider if their approach and decisions will generally pass the "front page test."'

Former Citigroup CEO Vikram S. Pandit, in his address "Creating Confidence: The International Dimension," posed three questions boards should keep [in] mind when making decisions: "Is it in my client's interests? Does it create economic value? Does it contribute to systemic

stability?”. Good organisational culture is imperative to building investor confidence and consumer loyalty.’

Government Treats Consumers Like ‘Idiots’

The Financial Review reported scathing remarks by Productivity Commissioner Peter Harris, who maintains that governments are treating consumers like ‘idiots’ when they obscure facts about poorly chosen mega-projects including roads. Mr Harris reckons that state and federal governments alike are botching the selection of infrastructure, and he challenged politicians to justify expensive but low-return projects over hundreds of smaller but more effective options. ‘Make the case,’ he said, ‘for why the mega-project must be preferred apparently to the higher-return local project. All of this is most obvious in roads investment; the last redoubt of the unreformed investment planning process.’

Insurance Going To The Dogs

One of the nation’s largest pet insurance providers, Greenstone, is tapping investors – so the Herald Sun has reported – for close to \$1 billion as it prepares to list on the stock market. Greenstone, which deals with pet, life, and funeral insurance, aims to sell close to 400 million shares, at between \$2 and \$2.50 per share, in what has emerged as one of the biggest initial public offerings of 2015.

IMF Warning To Australia

An assessment by the International Monetary Fund of Australia’s current economic situation calls for a broader GST, for ending the capital gains tax discount, and for curbs to high-end superannuation concessions. Delivering a warning that the Reserve Bank of Australia might need to deliver more interest rates cuts, a team of the IMF’s officials visiting the country said – so reports the Financial Review – that Australians faced significantly weaker income growth than they have been used to over the past two decades.

Dole Not An ‘Ikea Catalogue’

A proposal that relaxes a government plan to make young people wait six months for the dole should not be treated like an ‘Ikea catalogue to go shopping for benefits,’ according to Social Services Minister Scott Morrison. The Age quoted him in the wake of legislation being prepared by

the government, which, if put into practice, would make people under 25 wait four weeks, in addition to the standard one-week wait time, before they could receive benefits. This is a considerable change from the position which the federal government took in the 2014 Budget, which was to force all people under the age of 30 to wait six months before they could get the dole at all.

RBA Says Abbott Needs To Spend

Glenn Stevens, Reserve Bank governor, has called for the government to consider going further into deficit, so as to fund new infrastructure construction. This call, according to The Age, came as he contradicted Joe Hockey on the housing affordability and economic debate. He described runaway house prices, which the Treasurer contemplates with notable calm, as ‘scary.’

Consumer Confidence Steady, Despite Government’s Problems

ANZ / Roy Morgan Consumer Confidence was steady at 113.5 as of May 25, further consolidating the post-Budget bounce in this level. Confidence was reported as being 11 per cent higher than a year ago, reflecting the more positive community response to this year’s (as opposed to last year’s) Commonwealth Budget.

In the meantime, according to Newspoll, ‘voters have endorsed the Coalition’s second Budget as the best in seven years. The Australian’s Canberra columnist Philip Hudson wrote: ‘After last year’s Budget Tony Abbott was in a world of pain. Now he has hope and his backbench [has] something to fight for.’ In the fortnight after the Budget, the Coalition’s primary vote increased by one point, to 40 per cent; but the ALP’s primary vote over the same period went up by two points, although even after that improvement, Labor’s total figure was lower (37 per cent) than the Coalition’s.

... But Elsewhere, Budget Woes

New analysis from the National Centre for Social and Economic Modelling has shown, The Age announces, how the federal government’s budget consolidation – for the second year in a row – is being made at the expense of the less well-off. NATSEM divides the community into five segments, or quintiles, each

with a little over 2.5 million families. It has found that the government’s families package – including its popular childcare payments – will benefit middle-to-high-income families more than low-income families. Also, it has found that the poorest 20 per cent of households with children will lose up to 7.1 per cent of their total disposable income during the next four years, after all budget measures are taken into account.

Bad News At The Stock Exchange

Australian stocks have suffered the worst week in three years. That happened in early June, says The Age, which went on to mention that these stocks shed \$70 billion over the past five sessions, as a worsening outlook for the domestic economy aggravated the impact of a global bond sell-off, to hit local equities harder than almost any major global market.

Shorten And The OECD

Nick Cater, in his column for The Australian, observed in May: ‘There was more disappointing news for the hand-wringing industry last week when an OECD report found Australia to be a remarkably fair place. The poor are getting richer and the rich are getting poorer while those in the middle are doing very nicely, thank you. “Between 2007 and 2011, the income of the bottom 10 per cent increased by 2 per cent while incomes at the top declined by 1 per cent,” the OECD found. ... Some in the ALP know better, but is [Bill] Shorten listening?’

Banks On The Nose

The battle over the banking industry’s good reputation, to the provisional extent that it continues to have one, intensified late in May. An Age article announced that two of Australia’s top regulators took a simultaneous swipe at the culture at the heart of the nation’s largest financial institutions. ‘When culture is rotten, it often is ordinary Australians who lose their money. Markets might recover, but often people do not,’ ASIC chairman Greg Medcraft said at the Stockbrokers’ Association of Australia’s recent annual conference, in a speech which called upon financial institutions to clean up cultural problems.

The regulator is worried that a crisis of confidence among many members of the public, in the wake of a slew of

governance scandals in some of Australia's largest banks over the past year, could weaken the integrity of financial markets. Commonwealth Bank of Australia, ANZ Banking Group, National Australia Bank, Macquarie Group, and UBS are among those that have needed to deal as best they can with the fallout from scandals over the past 12 months.

Credit Card Gravy Train

The Financial Review announced in early June that political pressure is building on the major banks to reduce their interest rates on credit cards, which have become some of the most lucrative products in the entire banking industry. These days, the difference between the 2 per cent official interest rate set by the Reserve Bank, and on the other hand credit card interest rates of around 20 per cent, is almost as big as it has ever been.

Property Bubble: Will It Burst?

Treasury Secretary John Fraser was reported in a Financial Review front-page story as having declared parts of Sydney and Melbourne to be unequivocally in a property bubble that resembles a 'feeding frenzy.' This is a startling declaration – startling not least in its mixed metaphors – from one of the nation's most senior economic managers, and it has prompted conjecture that it will lead to tougher regulatory intervention by a federal government which has to go to the polls no later than next year. Prominent businessman David Murray, also in the Financial Review, predicted that the Australian Prudential Regulation Authority would indeed impose tighter lending controls.

For its part, the global ratings agency Moody's told The Age that moves by the major Australian banks to curb the dramatic growth in investment property lending do not go far enough. The banks, the agency said, will have to do more this year to bolster their books and to limit higher-risk lending, so as to address risks in the housing market and appease regulators.

Negative Gearing In Bottom Gear?

The Sunday Age announced that the federal government could raise an extra \$42 billion in revenue over the next 10 years, under a plan to curtail negative gearing and to curb surging property prices. Nowadays, such prices are particularly exorbitant in

Sydney and, increasingly, Melbourne too. Crunching the relevant numbers at the instigation of the Greens Party, which commissioned the research, the Parliamentary Budget Office has sought to find out how much money would flow into government coffers if negative gearing was scrapped for new residential investments. The Greens want the extra revenue to pay for more affordable housing to help those who, if not homeless already, remain vulnerable in the current property market.

Whatever happens as the outcome of that business, residential property billionaire Harry Triguboff will wish to be told. Mr Triguboff has taken to the NSW Supreme Court the state government headed by Liberal Premier Mike Baird, which excluded him from a 3,000-apartment development project in Sydney's northern suburbs. He is the nation's biggest apartment developer, and he was blocked from the project after hiring as his general new project manager a government employee who had an intimate understanding of the \$150 million North Ryde infrastructure. 'Why,' the 82-year-old tycoon told The Australian, 'have I taken the government to court? Because they insulted me. I won't let them get away with it.' UrbanGrowth NSW is the government agency in charge of the North Shore development known as 'Lachlan's Line'.

Voter discontent over property prices has been cited as a factor affecting the election that occurred last March in Australia's most populous state. This election, it is true, returned Mr Baird's administration to power. Opinion polls continue to show that the Premier is personally much better liked than was his predecessor Barry O'Farrell. But the Liberals' enormous majority from 2011 was much reduced. The ALP, whilst failing to come even close to its recent Queensland upset triumph, won 14 extra NSW seats. And the Greens, in their best-ever result for a non-Tasmanian legislature, won three seats.

Migration, House Prices, Growth Centres, and NSW Windfall

According to a front-page Financial Review report, a surge in migration to Sydney from mining states is driving the housing boom that allowed the NSW government to pledge an unprecedented run of surpluses for the

next four years and new infrastructure spending. But the Productivity Commission isn't sharing in the euphoria, nor does it welcome the Abbott government's concept of 'growth centres', even though the Business Council of Australia has backed this concept.

For the Productivity Commission, moves towards these centres would be 'ill-informed policies that risk prosperity. The commission calls for an independent assessment of industry and export assistance for specific sectors and firms.'

You're an Expensive Country

The head of one of the world's biggest construction groups, which lost \$1.4 billion of work when the Victorian Government cancelled the East West Link motorway, says contractors have become hostages to politicians. Christian Gazaignes, chief executive of Bouygues Travaux Publics, the infrastructure arm of French multinational Bouygues, said to the Financial Review that the scrapping of the road and tunnel to link freeways on the east and west sides by Victoria's new Labor government was a 'very bad issue' that had huge consequences for the company. 'We were not expecting to have this type of problem in Australia'

Force Superfunds to Invest

The University of Sydney Business School has proposed that government's require superannuation funds to invest in infrastructure development in return for what it describes as the 'generous' tax concessions currently employed by the sector. An Infrastructure Australia audit has found that the demand for public transport will nearly double while congestion on Australia's roads could be costing the economy more than \$53 billion a year by 2031 without massive new investment in transport infrastructure. In a commentary titled 'Infrastructure Financing: Following the Money', the schools highly respected Institute of Transport and Logistics Studies says long term retirement funds are a 'good match' for the nation's long term infrastructure needs.

Second Opinion Needed

Healthcare groups are split over calls to remove pharmacy ownership and location restrictions, with Small Business Minister Bruce

Billson warning that the outlets cannot be treated like any other retail operation. According to The Australian, State and territory laws limit ownership to registered pharmacists, but the Harper review says this has no bearing on the quality of advice or care provided, and points out no similar laws applying to GP practices.

Eyeing New Markets

Australia's biggest fruit and vegetable grower and supplier, the Costa Group, is expected to offer about 60 per cent of its shares to institutions and new investors when it lists on the Australian Stock Exchange in July according to The Australian.

Insider Trading Claims

Personal finance company IOOF Group faces allegations of misconduct, insider trading, cheating on exams and misrepresentation of performance numbers on funds. In one of the most damning incidents, confidential documents revealed by The Age reveal one senior IOOF staff member was investigated by the company in 2009 over suspicious trading. It is believed the company did not report the suspicious trade to ASIC.

Instead, internal emails say the staff member was given a final warning and told to donate the profits made on illegal trading to a charity of IOOF's choice. Insider trading can attract a prison sentence, where IOOF refused to comment.

Why We Won't Invest

Ninety per cent of Australian firms won't embark on investment if the expected return is less than 10 per cent, according to new Reserve Bank of Australia research reported in the Financial Review, highlighting the divide over why low official interest rates aren't spurring an economic recovery.

Beware Aussie Rules

Tougher new foreign investment rules are acting as a disincentive to much-needed offshore investment in agriculture, says the Australian government's most senior agribusiness mandarin. Austrade investment specialist David Watson, appointed 12 months ago by Trade Minister Andrew Robb to facilitate investment into agriculture and food, said the new rules had created a lot of uncertainty in the offshore investor community according to the Financial Review.

MINING

Labor Approves Coal Exploration

Four new licences to explore for coal in Victoria have been approved by the government, the first since it came to power. And the government has also granted a separate coal 'retention licence', which permits an expired exploration permit. The new coal licences come as the state government has heavily promoted its climate-change credentials since winning the 2014 election, launching a wholesale review of climate-change laws and programs and saying it wants to reestablish a state renewable energy target according to The Age.

Game On

BHP Billiton chief executive Andrew Mackenzie has declared the Olympic Dam expansion is 'game on' but admits there are technical and manufacturing hurdles that must be worked out before final approval is given to the giant project. The expansion would be a boon for South Australia according to The Australian.

Flying Setback

A top planning official has declared that new mines in the Queensland coalfields will not be approved if they are 100 per cent staffed by FIFO workers according to The Age. In comments that highlight a stark shift in political attitudes toward FIFO, BHP Billiton and its partner Mitsubishi were told their plans to build a new coking coal mine in the Bowen Basin would be approved only if some employees were allowed to live in local towns. Queensland's coordinator-general, Barry Broe, made the comments in his evaluation of the Red Hill project.

Miners Taxing Tax Scheme

Greenpeace has accused the mining lobby of 'breathhtaking hypocrisy' in its attempt to silence environmental groups by stripping them of charitable status when minerals and oil industry groups are themselves bankrolled by tax-deductible contributions from mining companies according to The Age.

TRADE

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Frankfurt, Jakarta, New Delhi and Shanghai, Austrade is looking for applicants before Sunday 26 July. The Australian Trade Commission is the Australian Government agency that promotes trade, investment and education, and develops tourism policy and research.

Momentous China Treaty

Chinese companies will gain the right to sue Australian governments in international tribunals under an agreement that will eventually allow 95 per cent of Australian goods exports to enter China duty free. Prime Minister Tony Abbott said he and China's Commerce Minister, Gao Hucheng, would one day be able to say to their grandchildren 'Yes, we were there the day this extraordinary agreement was signed.'

The deal will eliminate the tariffs of up to 20 per cent on dairy exports within 1 years, eliminate the 12 to 15 per cent tariff on beef over nine years and the 14 to 20 per cent tariff on wine over four years, and give Australia an extra duty-free quota for wool. But the agreement also includes an investor-state dispute settlement clause that will allow Chinese companies that believe they have been discriminated against to appeal to an extraterritorial tribunal. According to *The Age*, Australian companies gain reciprocal rights to appeal against Chinese government decisions.

True Aussie Global Brand

All Australian food could be sold overseas using a single brand and logo that agricultural producers hope will enhance Australia's global reputation for high-quality food and reduce competing marketing campaigns. The phrase 'True Aussie', next to a colourful stylised map of Australia, will be unveiled in Canberra. The campaign is backed by Fortescue Metals Group founder and farmer Andrew Forrest, advertising buyer Harold Mitchell and many food industry bodies and businesses according to the *Financial Review*.

REFUGEES/ IMMIGRATION

Detention Centres and Whistleblowing

The *Age* announced in early June that under a sweeping new statute, doctors and teachers working in immigration detention facilities could face prison terms – anything up to two years – if they speak out against conditions in

the centres or if they provide information to journalists. On May 14, the government's Border Force Act was passed quietly by the federal parliament, with the ALP legislators' consent, and with little public discussion. It clamps down on 'entrusted people' in detention centres recording or disclosing information about conditions in places such as Nauru and Manus Island.

Children Held Five Years In Detention

Asylum-seekers, including women and their children, are spending nearly five years in Australian immigration detention facilities, as the average time spent in detention has soared to one of the longest rates in the world. So announced *The Age* in a front-page article which noted that the Commonwealth and Immigration Ombudsman has slammed the federal government for these rates, having found that children are being born, and remain, in detention centres waiting for their families' claims of protection to be processed or for their security assessments to be cleared. The Ombudsman's report appeared on May 27 and is designed to be a 'snapshot in time' of immigration detention. It also showed that six children had been born in detention between November 2012 and February 2013.

People-Smuggling Horrifies PM

Tony Abbott, according to *The Australian*, has expressed horror at the migration crisis in South-East Asia, and has said he was 'appalled at the latest demonstration of the evil trade of people-smuggling.' This expression of outrage came shortly before a Kuala Lumpur meeting attended by Foreign Minister Julie Bishop as well as her Malaysian, Indonesian, and Thai counterparts.

The Abbott government's strategy for curbing people-smuggling will soon be presented at a Thailand conference – so said *The Australian* recently – by Andrew Golezdzinowski, who used to head the Foreign Affairs Department's Pakistan and Afghanistan branches. Mr Golezdzinowski has served both Coalition and Labor governments with ease, and former ALP Foreign Minister Gareth Evans has called him 'terrific, sharp, bright, and with good values.'

Speaking English, Or Possibly Not

The recently announced policy of English tests for foreigners wanting to become Australian citizens has been greeted with a mixed response, says *The Age*. This response has come not only from educational authorities, but also from immigrants – ranging from scientists and media stars to property developers – who have already been granted citizenship here. Dr Karl Kruszelnicki, TV luminary, came to Australia at the age of two, and was born to Polish parents who were lucky to escape the Nazi genocide. He said, 'If you consider somebody who's coming here in their 50s and 60s, it's in some cases hard for them to learn the language.'

Leaks on Citizenship

Tony Abbott has issued a rebuke to his cabinet over damaging leaks that recently took place, those leaks having been related to citizenship policies. He has warned, says the *Herald Sun*, of 'personal and political' consequences if that behaviour continues. This warning came a week after details somehow made their way into the public arena concerning an intra-cabinet quarrel over whether to strip Australian citizenship from those terrorists who now have it, and who do not hold citizenship of any other land, but who may be able to become citizens of some other land in the future.

Columnist David Crowe opined in *The Australian* that the entire thing constitutes, for the PM, a problem which should never have happened in the first place. 'Cabinet leaks over the citizenship issue were preventable,' wrote Mr Crowe. 'Anyone who has watched the Road Runner outsmart Wile E. Coyote should know the key to success is making sure there is enough time to stamp out a fuse before it ignores a barrel of dynamite. For Tony Abbott, the fuse that led to a cabinet split started to burn three months ago. The wonder is that nobody snuffed it out when there was time.'

Unity and Cohesion

Laura Tingle wrote in a recent *Financial Review* column that the federal government's citizenship discussion paper promotes Australia's 'success as a unified and cohesive nation.' But citizenship, she said, was working spectacularly to create the impression of a very un-unified and

un-cohesive government in Canberra, as at early June.

Citizenship Consultations

The Age recently ran an advertisement announcing the federal government's establishment of national citizenship consultations. In May, the advertisement stated, Tony Abbott 'announced new measures to strengthen Australian citizenship, including a National Consultation on Citizenship to (a) improve the understanding of the privileges and responsibilities of Australian citizenship; (b) examine way to better promote this understanding; and (c) seek the public's view on further possible measures.' As part of a 'national conversation,' Australians will be asked if they want the citizenship test tightened to include more questions about allegiance to the country, unifying values, and the rule of law.

Citizenship Loss For Graffiti?

Under the federal government's planned legislation, dual nationals who are convicted of certain offences would be automatically stripped of their citizenship. These offences, according to The Age, range from treachery, sabotage, and mutiny all the way down to damaging or destroying Commonwealth property. Someone who spray-painted graffiti across the front of Canberra's Parliament House – as Byron Bay's Gareth Smith, who has both Australian and UK citizenship, did in 2000 to protest against the Howard government – would be liable to lose his citizenship under such statutes.

The legislation also includes a broad range of speech-related offences such as urging violence or advocating terrorism. In addition, the amendments to the Citizenship Act mean that a dual national who engages in terrorism-related activity automatically forfeits his Australian citizenship even without a conviction, though he can appeal the revocation in court.

This is Constitutional

Senior Federal Government ministers are increasingly confident that a proposed new citizenship cancellation power to be applied to dual nationals fighting with terrorist groups, will not run foul of the Constitution, even as the Prime Minister said some of the accused would not be convicted in Australian courts according to The

Age. Mr Abbott declared the new power to stop foreign fighters returning was necessary because such people could 'get off' if brought back to a court in Australia where evidence based on foreign intelligence for example, may be inadmissible.

North Bound

Migrant workers willing to live in the tropics will be given preferential treatment as the Federal Government pledges a further \$1.2 billion to developing Australia's north. The new money, part of the Government's White Paper on Developing Northern Australia, comes on top of \$5 billion already set aside for infrastructure projects. 'There's only a little over a million people north of the Tropic of Capricorn but they are very dynamic people and it is a remarkably dynamic part of our country' said Prime Minister Tony Abbott.

A new \$75 million Co-operative Research Centre on Developing Northern Australia will be established according to the Herald Sun. Trade Minister Andrew Robb said by 2050 half of the world's population would live in the tropics.

Refugee Convention's Principles Lost at Sea

The response of rich countries to the biggest movement of people since World War II is an epic failure. Rather than Australia taking a lead in rescuing vulnerable people found at sea, recent allegations that money has instead been handed over to people smugglers, by Australian officials, are extraordinary. The way Australia treats asylum seekers is already abysmal. As reported in The Age, when we find someone on a leaky boat at sea, fearing for their life, we should rescue them, not tow them away, according to Claire Mallinson who is the national director for Amnesty International.

Top Secret Business

By refusing to deny that his government paid people smugglers to take intercepted asylum seekers back to Indonesia, Tony Abbott has given a green light to the deadly trade he rightly despises. The explanation for neither confirming nor denying the reports to The Age is that he doesn't want to give information to 'our enemies' by commenting on operational matters. But this answer gives those very enemies reason to believe they may profit, courtesy of the

Australian Government, if their enterprises are intercepted on the high seas, says Michael Gordon. Rather than close down the people smugglers' business model, it suggests another form of profit.

TAX

Tax Concessions and Green Groups

Prominent financial backers of environmental causes have warned that any move by the Abbott government to tighten tax concessions for donations to pro-green movements will impede funding for protecting nature and the climate. This appeared in a recent Age item about donors to environmental programs. The Abbott administration has lately launched a parliamentary committee enquiry into a registry of green groups that allows those donating to groups such as the Wilderness

Society and Greenpeace, along with smaller organisations, to deduct contributions from their tax.

According to the government, the review is needed to ensure that tax concessions do not support illegal activity, and to make certain that environmental groups face high standards of transparency.

The Australian similarly mentioned that miners are calling for environmental organisations which back illegal protests to be stripped of their tax-deductible status. They argue that blockades have cost the mining industry and taxpayers millions of dollars' worth of lost revenue. The Minerals Council of Australia, in a submission which it made to the same federal parliamentary enquiry mentioned above, asserted that it wants groups which pay court fines, and which fund trips to observe international protest activities, to be deprived of the tax benefits they now enjoy.

A blockade of the Hay Point coal terminal in Mackay, Queensland, during 2009 by Greenpeace Australia Pacific cost BHP Billiton Mitsubishi Alliance about \$13 million and Queensland taxpayers \$1 million, the MCA says. Greenpeace is a charity and a registered environmental organisation. As such, according to the MCA, it is specifically forbidden to engage in unlawful and unsafe activities.

Tampon Tax And Populism

Philip Coorey of the Financial Review recently informed readers that economists and business groups accused Joe Hockey of making populist and ad-hoc tax changes. The accusation came in the wake of the Treasurer's decision to exempt tampons and other female sanitary products from the GST. As for the Prime Minister, he has been reported by the same newspaper as saying he himself has 'no enthusiasm for the idea,' and is convinced that any changes should be proposed by state governments.

Cyclist Push for Tax Break

One tax lobby group hopes to appeal to Prime Minister Tony Abbott's passion for bike riding, arguing lycra-clad commuters should get a tax break. A coalition of bicycle organisations has asked the government's tax white paper task force to consider allowing workers to salary sacrifice the cost of bikes, helmets and safety equipment, in the same way thousands of gas-guzzling cars are salary packaged each year according to the Financial Review.

Useless Tax Review

A Federal Court judge has slammed the Federal Government for ruling out changes to the negative gearing, superannuation concessions and GST as part of its tax review, saying the entire debate is politically infected and 'handcuffed' from being able to achieve any useful reform as reported in The Age.

Justice Richard Edmonds, who was appointed to the Federal Court under the Howard Government in May 2005 and has previously been critical of the lack of political will by leaders to carry out tax reform, said the Federal Government's review would turn out to be just as useless as the former Labor government's attempts back in 2009.

CLIMATE CHANGE. ENVIRONMENT. ENERGY

Climate Change Controversy

Claims by the Prime Minister's chief business adviser about climate change have been rejected by the head of the Bureau of Meteorology as 'incorrect,' 'irrelevant,' and 'old red herrings.' The adviser concerned was Maurice Newman, who is the chairman of the PM's business advisory council.

According to The Age, he came under fire this month after he wrote an article in The Australian which said that scientific modelling showing the link between humans and climate change was inaccurate, and that the real agenda was a 'new world order' led by the United Nations. He was denounced for having said this by a Greens senator, Larissa Waters, and also opposed by Rob Vertessy, who is chief executive at the Bureau of Meteorology.

Nor has criticism of the Abbott government's environmental policies stopped at the water's edge. Kofi Annan, best known as the former United Nations Secretary-General, was likewise mentioned in The Age as having headed a panel which called Australia a climate change 'free rider.' The panel's 2015 report lumped Australia with Japan, Russia, and Canada as appearing 'to have withdrawn from the community of nations seeking to tackle dangerous climate change.'

Greens And Petrol

The Australian Greens are, according to the Financial Review, negotiating a deal with the federal government to increase the petrol excise in return for a portion of the revenue being dedicated towards improving public transport. Richard Di Natale, who on May 6 took over from the much more nationally celebrated Christine Milne as the Greens' leader in the Senate, also said that his party was prepared to pass revamped cuts to the pension – cuts which have been sought by Social Security Minister Scott Morrison – but only if the government, in its turn, reversed its recent decision to abandon what the Greens want to see: namely, a review into retirement incomes.

Senator Di Natale said that he believed he could achieve a deal on petrol excise that would attain several of the Greens' policy objectives: taxing fossil fuels, while making society fairer in general, and in particular giving people better alternatives to current national transportation arrangements. At present the Greens wield the balance of Senate power.

But another Financial Review report said that the government had swooped upon a Labor offer to reintroduce the twice-yearly increase of petrol excise, taking to almost \$11

billion the budget savings negotiated over preceding weeks. The petrol backflip sidelined the Greens, who were negotiating to support the increase in return for allocating some of the billions in extra revenue that the increase would create.

More Solar, Fossil Fuels To Survive

Relentless growth in rooftop solar systems will help renewable energy overtake fossil fuels for power generation by 2040, the Financial Review has stated. Yet 'the survival of cheap old coal-fired plants will mean Australia's carbon emissions from electricity won't fall significantly for at least 20 years, new analyses have found. Emissions of greenhouse gases from Australia's power sector will fall only nine per cent by 2030 from 2014 levels under current policy settings, and will remain "stubbornly high" unless the closure of coal plants is accelerated, Bloomberg New Energy Finance says in a report.'

Hockey Buries Iron Ore Inquiry

Joe Hockey recently ended a week of governmental indecision, the Financial Review noted, by ruling out an inquiry to examine allegations, from Fortescue Metals Group chairman Andrew Forrest, that rivals BHP Billiton and Rio Tinto are combining in order to drive down the price of iron ore.

Meanwhile, Don Argus, former BHP Billiton chairman, warned the Treasurer and the general public during mid-May that Australia would become 'a laughing stock of the world' if the government intervened in the iron ore market. He said that intervention would make the nation non-competitive and would send mixed signals about whether Australia was a command economy or a market economy.

Norway's No To Coal

Norway's sovereign wealth fund, the world's biggest, will shed its holdings in all companies and utilities that have heavy exposure to coal in a move to reduce climate risk. This news emerged in the form of a deal made by the nation's parliament, which is known locally as the Storting, and it was reported in the Financial Review.

Foreign Coal Subsidies: \$4bn And Counting

Australia has received more than \$4 billion from foreign governments to

fund coal projects since 2007. This remarkable figure comes from a new report, discussed in *The Age*, that highlights the extent to which wealthy countries are still financing fossil fuels. And Australian taxpayers have subsidised coalmines and power plants around the world to the tune of \$1.4 billion, via the Export Finance and Insurance Corporation, a government bank that helps fund Australian projects in other countries.

Government-owned institutions poured more than \$US73 billion into coal between 2007 and 2014, research by the National Resources Defence Council, Oil Change International, and the World Wide Fund for Nature shows. The global report is an attempt to unravel a web of public finance for coal-fired power plants, in particular. This finance has been 'moved through largely unknown and opaque institutions' by governments to fund projects overseas.

Renewable Energy: Let Funding Flow

Billions of dollars in renewable energy projects are set to flow, after the Coalition and the ALP – according to *The Australian* – joined forces and broke the impasse over the Renewable Energy Target, in a deal that will cut it to 33,000GWh by 2020. Industry

Minister Ian Macfarlane, Environment Minister Greg Hunt, and Labor's environmental spokesman Mark Butler clinched the deal, which will cut the target from 41,000GWh.

As revealed in the same newspaper during mid-May, the breakthrough came when the government dropped a demand for a review every two years to be replaced by periodic reports on the progress of the RET. Previously, Labor and the Clean Energy Council had been demanding the dropping of the reviews, to ensure investor certainty.

Wilderness Heritage Charge Rejected

The World Heritage Committee is set to slap down an attempt by Tasmania's Liberal state government to ditch existing wilderness zoning in most of the island's remote south-west. According to *The Age*, the state's plan to make the Tasmanian Wilderness World Heritage Area 'wilderness' in name only, and to replace it in practice with the tag

'remote recreation' for 90 per cent of the area (1.58 million hectares), has been rejected in a draft decision of the committee. The WHC urged the federal government to ensure, even if the state government could or would not do so, that the area's new management plan provided 'recognition of [the] wilderness character of the property as one of its key values.' Tasmania's Premier, Will Hodgman, led the Liberals to power in March 2014 after 16 uninterrupted years of ALP rule in the state.

Wind Farm Commission Proposed

Liberal Democrat Senator David Leyonhjelm seeks – according to *The Age* – Tony Abbott's backing for a national wind farm commission. If established, this commission would investigate complaints about wind turbines. The Prime Minister, for his part, has already told Sydney broadcaster Alan Jones that he wants fewer such turbines in Australia.

Vatican Pleads For Action On Climate Change

Pope Francis has issued a call for humanity to tackle climate change, as part of *Laudato Si*, his new encyclical. *The Age* said that the pontiff 'decries humanity's increasing and damaging footprint on the earth, which he likened to a sister and a mother.'

Clean Energy Report: Well Done

The Clean Energy Council has lately released its report for 2014, which over 60 pages gives a very good summary of the Australian situation. Call the Council direct and no doubt it will send you a copy of the report, or else call the editor.

Trouble For Parrots

Laboratory tests will soon reveal, according to *The Australian*, how the last wild population of the critically endangered orange-bellied parrot came to be infected with a lethal disease in the Tasmanian forest, and the fallout inside Australia's scientific community could be brutal. Orange-bellied parrots are categorised as being on the brink of extinction. In the wild, only about 50 remain, with scientists cleaning their nesting boxes regularly and putting out seeds and fruit for them on feeding tables each summer. Now the population has been found to be riddled with break and feather disease, thanks to a retro-virus that is always serious and often fatal.

Increased Rooftop Solar Power Subsidy

Recently the Financial Review announced that the rooftop solar boom has come at a cost of more than \$9 billion to the public, via subsidies that need to be radically overhauled to ensure the expected surge in battery storage use doesn't trench more waste. This is the finding of the Grattan Institute, which lately released a report that exposed the costs of the solar revolution. By the time subsidies finally run out, households and businesses that have failed to go solar will have spent more than \$14 million subsidising those already using solar power.

While hitherto lavish state subsidies have been cut back, solar PV is set to get a new lease of life through battery storage, which is becoming cheaper and more efficient than it used to be. But unless changes are made to the way in which households are charged for their use of the power grid, further inefficiency and inequity will result, the report found.

The institute's energy program director Tony Wood – who co-wrote the report – has said: 'If we want fairer, cheaper, cleaner electricity we've got to get on our bike and really get this whole reform process back on the rails again. Australia could have reduced emissions for much less money. Governments have created a policy mess that should never be repeated.'

Batteries will turn households from consumers into more effective 'prosumers,' a useful portmanteau word combining 'consumer' and 'producer.' Such users will be able to produce as well as consume power. Even homes without rooftop solar will be able to benefit by storing power during the day – when prices are low – and selling it back later in the evening, when prices are much higher. Keen for reliable power, households in urban areas are still seen as very unlikely to use batteries to disconnect from the grid completely.

Bigger Cuts In Emissions

The Abbott government is weighing tougher emissions reduction targets, so *The Age* says, for the post-2020 period than conservative members of the cabinet had wanted to see. This development comes in 'a move that would restore Australia to the

international mainstream on climate change policy and challenge the Prime Minister's reputation as a global warming denier.'

ACCC Examining the East Coast Gas Market

The Australian Competition and Consumer Commission issues paper on the East Coast Gas Market Inquiry is one of the early steps in assessing competition in the gas market. 'The issues paper is seeking the views of industry and stakeholders about competitiveness in the market,' Mr Sims said at the Energy Networks Association Gas Seminar in Melbourne according to an ACCC press release.

Nukes Too Costly

Nuclear energy may be too costly in Australia to compete with renewables, according to Ross Garnaut in The Australian. The world is moving decisively towards a low-carbon economy and Australia was uniquely placed to benefit from this. However, Australia needed to remove political debate from discussion on renewable energy and instead let economics decide, Professor Garnaut said. While demand for uranium exports to countries such as China and India would increase in the future, his doubts about the economic merits of nuclear energy came during the South Australian royal commission into nuclear energy and ahead of debate at Labor's party conference concerning their position on nuclear energy.

Resist Energy Limitations

Shell Australia country chairman Andrew Smith has warned against 'glib, simplistic' statements on coal, declaring that no nation has prospered by demonising affordable energy. Amid raging debate about the global divestment push, Mr Smith says Australia should resist pressure from a 'vocal minority' to limit the energy choices available. Writing exclusively for The Australian, he says that the concept of sustainability should apply equally to the economy and to the environment.

Hunt and Abbott Division

Environment Minister Greg Hunt says that Australia's electricity sector is likely to achieve zero carbon emissions by the end of the century. According to The Age, this aligns with the ambition of the Group of Seven biggest developed economies,

but contrasts with Prime Minister Tony Abbott's attitude.

Grid Is the Future

AGL energy's new chief executive, Andy Vesey, has insisted the electricity grid has a hugely important future as the backbone of a powerful and high-tech interconnected supply system serving customers with efficient and reliable power. In contrast to some predictions that the power network is doomed to obsolescence as households disconnected and generated their own electricity, Mr Vesey told The Financial Review's National Infrastructure Summit that the grid would become increasingly more connected, providing better efficiency and greater value. 'The networks are not archaic, they are not a legacy of some old system, they are vitally, vitally important'

Ran Out of Energy

Alinta Energy has been given up the fight to keep its two ageing coal-fired power stations in operation, as a glut in power supply, made worse by the growth in million effort to return them to profit. Up to 478 job losses are expected from the shutdown of the Northern and Playford B power plants, as well as the Leigh Creek coal mine that supplies them, which will close by March 2018 and possibly earlier.

The job cuts will more than halve TPG Capital-owned Alinta's total workforce and prompted South Australia Liberal Opposition leader Steven Marshall to point to a 'jobs crisis' in the state in The Age, which already face the closure of the automotive industry in 2017 at the latest, when Holden is scheduled to stop vehicle manufacturing.

What is interesting about the action taken by Alinta's owners is that it represents a harbinger of things to come as demand for electricity falls and supply from renewable sources ramps up. This is not to say that all coal-fired power stations are capital hungry and unprofitable. Plenty still make money and some will absorb the demand left by those that leave the market.

Alinta's move follows Alcoa's announcement, before the Renewable Energy Target was revised last month, to close its Anglsea coal mine and

power station near Geelong in Victoria in August.

Taking the Wind Out

In comments unlikely to build public confidence in the government's commitment to address global warming ahead of the Paris climate change summit in December, Mr Abbott said he shared concerns that wind farms were ugly, noisy and potentially harmful to health despite an absence of scientific evidence of any danger. Urged on by conservative radio host Alan Jones, Mr Abbott agreed that wind farms were unnecessary, revealing his preference was to have fewer of them as reported in The Age.

Victorian cattle farmer Hamish Officer lives a good deal closer to wind turbines than most people closest to the Southern Hemisphere's largest wind turbine. 'You don't need to lift your voice to have a conversation nearly as much as you would in a city street' Mr Officer says. 'For someone like the Prime Minister to stand there and say they're noisy - it's a very blanket statement. Noisy compared to what?'

AGRICULTURE. CATTLE. WATER Irrigation System Being Dismantled

From the Riverina-based magazine Farm Talk, in its May 2015 number, comes a detailed article by Neil Eagle – a citrus and beef producer based in the town of Barham, just north of the NSW / Victoria border – lamenting the 'progressive dismantling of our nation's major irrigation system.' The evidence, he says, is stark. "Water", the resource of a region, has been lost to: other areas/states; the government, both state and federal, and the Commonwealth Environmental Water Holder (from buy-backs); water speculators, who may or may not own land.' A document from 2004, the House of Representatives' Interim Report into the Living Murray, 'stated "that the science was not adequate to justify any water being removed from productive use".'

Harvard's John Briscoe, according to Mr Eagle, maintained that 'Australia was considered the world leader in Arid Zone water management prior to the 2007 Water Act and ... he feels Australia has now lost its way and will not reclaim that status unless the Act

is redrafted to restore the balance between socio-economic and environmental needs.' Also, 'The supposed compensation being proposed by government via grants for development of alternative enterprises will not solve the problems of these communities [near the Murray-Darling basin]. ... This misuse of a valuable water resource will inevitably have to change and the key to prevention of further damage is for that change to take place quickly.'

High and Dry

The environmental plan to restore the flow of our rivers has a harsh downside, according to Sue Neales in *The Australian*. The Murray-Darling Basin Plan was designed in the name of the environment where we were told of the restoration of river health and saving of the environment. Rhonda Creighton says 'I consider myself a greenie but this is environmental vandalism; these bureaucrats are sending all this water down the river at the wrong time and in the wrong amounts and turning this beautiful river into a silted drain.'

Such attitudes are becoming more common across the rural community, although they have not been part of the spotlight with several years of more rain across southern and eastern Australia. But as predictions of an El Nino-induced dry spring and summer grew stronger, and the need for Australia to expand its agricultural and food production in order to earn more export dollars as the mining industry declines.

MEDIA

Spectrum Sale To Telcos

The federal government is pushing ahead with the sale of valuable electronic airspace in rural and regional Australia, says the Financial Review, despite safety fears raised by mining and rail operators. Spectrum is used by all broadcast technologies, and the government is set to reap hundreds of millions of dollars when it auctions off blocks in the 1800MHz band to telecommunications companies.

The move promises to bring mobile broadband and phone services to rural and regional communities if Telstra, Singtel-Optus and Vodafone Hutchison Australia bid for the spectrum and ramp up sales of their services in the bush. But Rio Tinto,

Santos, and the Australasian Railway Association are existing users of the spectrum. They have warned that its sale could affect safety at remote mining sites and railways.

ABCDEFQ

The ABC deliberately arranged, according to *The Australian*, for a 'convicted criminal and terrorist sympathiser' to confront federal MPs on one of its top-rating programs, raising security fears and unleashing a fierce political backlash. The Australian Federal Police was on stand-by, as of June 24, to brief the high-powered ABC board after the federal government urged an overhaul of security at Q&A following its decision to allow Zaky Mallah, a man convicted of threatening to kill ASIO officers, to join the studio audience without any security checks.

Mr Mallah's appearance on Q&A was deliberately manufactured by the ABC to ambush guests, including politicians, government frontbencher Steven Ciobo and Labor's Joel Fitzgibbon, and all sides of politics condemned the ABC for its grave error of judgement after Mr Mallah blamed the government for Australians who chose to join the Islamic State. 'The Liberals have just justified to many Australian Muslims in the community tonight to leave and go to Syria and join ISIL because of ministers like him,' Mr Mallah said on the program in response to comments by Mr Ciobo. WATCH THIS SPACE

JUSTICE

Terror On its Way

Australia will consider raising the terror alert level to 'extreme' as the Federal Government prepares to introduce a new national terror alert system to help prepare the nation for the threat of a terrorist attack on home soil. According to *The Age*, after calling a meeting of the Cabinet's national security committee in Melbourne in the wake of attacks across the world, the Prime Minister said Australia would consider the advice of intelligence agencies over the nation's terror alert level, which was lifted to 'high' in September.

Sunday Too Far Away: Rural Violence A 'Hidden Disaster'

Rural women have urged the federal government to introduced specialised family violence 'teams' in regional areas of Australia. They have declared

that domestic violence was a 'hidden disaster' in their towns. The *Australian* revealed in May that a group of 21 women's organisations, including the Country Women's Association and the National Rural Women's Coalition, would like to see a funding model for domestic violence services. What they want is something similar to the National Disability Insurance Scheme, which works on a case-by-case basis.

Drug Gangs Off The Scale

The *Herald Sun* announced that Australian gangsters have created one of the world's biggest drug cartels and are trafficking tonnes of cocaine and ecstasy around the world. They are using our ports, and even the nation's authorities in the crime-fighting sector admit that totally stopping such usage is unlikely to happen. An investigation by the newspaper itself found that the Balkan-based gangs – led by some of Australia's most wanted men – had established 'entrenched infiltration' at almost every level of Australian society. One law enforcer put it this way: 'Balkan organised crime is now the biggest threat to Australia. [Being] entrenched and disciplined and influential in local communities ... has made it a serious challenge to crack.'

In the meantime, *The Age* announced that under tough new visa-cancellation laws, dozens of criminals within Victoria would be deported. These figures included suspected Mafia figures, outlaw bikies, and sex offenders. It is understood that as many as 110 bikies and Mafia kingpins could be deported because of suspicions that they have been involved in organised crime or because they are serving a Victorian prison sentence.

Under changes to the Migration Act that came into law in December 2014, Immigration and Border Protection Minister Peter Dutton has the power to cancel the visas of suspected or convicted criminals. It is believed that a list made by Victoria Police after high-level discussions contains the names of several dozen criminals who face deportation under the new law, regardless of whether they have been charged with a criminal offence.

Libs And Terror Threat In Donations Drive

An email to Liberal Party members was the subject of a front-page report

in The Age on June 25. This email calls for donations 'to support a SAFER Australia,' and has been condemned by the PM's own office, which rushed to distance Tony Abbott from the fundraising message.

The email features a large picture of Mr Abbott and the quote: 'Terrorists who are dual-nationals will have their citizenships stripped.' Authorised by Victorian Liberal state director Simon Frost, the message says that with a federal election due next year, donations are 'critical to allow the Abbott government to continue on with the job of keeping Australia safe.'

Bad News For Chrysler's Ex-Boss

The Age announced that Fiat Chrysler Australia is seeking to freeze the assets of former Australian managing director Clyde Campbell, and his wife Simone Campbell. These assets include the couple's family home in Brighton as well as holiday homes in Queensland and Victoria. Mr Campbell has been accused of misappropriating and misusing more than \$300 million in company money, hoping thereby to fund an extravagant lifestyle for his family and business associates. He is said, in addition, to have supplied free cars illicitly for such A-listers as Shane Warne, Elizabeth Hurley, and Gary Ablett Junior.

Malaysians In Property Scam

A front-page story which The Age ran on June 23 said that 'the first hand evidence has emerged of Australian property prices being inflated, as real estate is used as a safe haven or money-laundering hub by corrupt foreign nationals. The alleged criminal conduct is linked to multi-million-dollar property transactions which drove a group of small Australian tradesmen to the wall and which implicates top Malaysian officials and businessmen.

Fairfax Media can reveal that a group of super-rich Malaysian officials, spending their own government's investment funds, have bid up the price of a Melbourne apartment block from \$17.8 million to \$22.5 million. The extra \$4.75 million was then laundered out of Australia and allegedly paid as bribes in Malaysia.'

Have Visa, Will Racketeer

Organised crime syndicates have been accused by The Age of exploiting Australia's 457 worker visa scheme to recruit members for their

global drug trafficking networks. Italian national Bruno Hajko was allowed to enter, and stay in, Australia on a 457 visa. This was notwithstanding his close ties to an eastern European syndicate that has been under investigation by both the Australian Crime Commission and the Australian Federal Police.

Threat To PM?

Counter-terrorism police, according to The Age, suspected that a young Melbourne man who last September was shot dead in a police station car park had threatened Tony Abbott's physical safety. The man in question was Numan Haider, 18 at the time he was killed.

Gina's Day In Court

The Australian devoted much of its May 29 front page to the news that Gina Rinehart – after three and a half years, not to mention countless court appearances – was told by the NSW Supreme Court that she would lose control of the \$4 billion-plus Hope Margaret Hancock trust, which was set up by her father for the benefit of her children.

Her eldest child, Bianca Rinehart, who with brother John Hancock has battled her and two half-sisters for control of the trust and its 23.5 per cent stake in the family's flagship Hancock Prospecting, will now replace Mrs Rinehart as trustee. The latter, though, is still Australia's wealthiest individual.

Human Rights And Democracy

Gillian Triggs, the Australian Human Rights Commission president who made front-page news last year, has warned that national democracy is under threat, as the rift between her organisation and the federal government widens. She reckons the government's move to expand discretionary ministerial powers that may be exercised with limited or no judicial scrutiny constitutes – and The Age quoted her on this – 'a growing threat to democracy.' In addition, she has blamed an increasing array of laws that diminish liberties and expand executive power on the failure of successive parliaments to protect democratic rights.

Speaking after Immigration Minister Peter Dutton denounced her, Professor Triggs also suggested that the indefinite detention of thousands of asylum-seekers, most of whom are

refugees, has been 'essentially punitive' and shows the government acting ultra vires. Taken individually, she maintained, the new laws might be justified on the grounds of necessity and proportionality; but 'viewed together they are more than the sum of their parts,' and amounted to an over-reaching of executive power.

The Terror Generation

According to The Age, the country's first national security chief has warned that the new and unprecedented threat of terrorism in Australia could be with us for decades and possibly for a generation to come. In a stark assessment of the growing security risk, National Counter Terrorism Co-ordinator Greg Moriarty revealed that he had been stunned by the classified intelligence briefings to the extent of the threats now facing the nation.

Muslim Heroes to Expose

Attorney-General George Brandis has vowed to 'expose ISIL for what it is in the minds of the young' by using Muslim role models to tell a 'journey of heroes'. Senator Brandis made the vow as he wrapped up the government's two-day Sydney summit to counter violent extremism, where he also flagged yet another round of counter-terrorism legislation in the works as reported in The Age.

'We're going to talk about both the strength and resilience of our own societies in practical ways through spokespeople who are role models for the young, particularly young Muslim kids, and we are also going to expose the poverty and despair that ISIL represents'

Up Front Bill

Federal Labor leader Bill Shorten will appear before the royal commission into union corruption as a scandal deepens around the conduct of his former union. Mr Shorten, a former Victorian and national Australian Workers Union secretary, announced he will testify before the inquiry in either late August or early September according to The Age.. Lots in next issue.

One of Australia's biggest builders paid Mr Shorten's union nearly \$300,000 after he struck a workplace deal that cut conditions and saved the company as much as \$100 million on the EastLink project. A media

investigation has uncovered that large payments from joint-venture builder Thiess John Holland to the Australian Workers Union when Mr Shorten, now Opposition Leader, ran the union.

BROADBAND. IT

Metadata Secretly Accessed

Seventy-Seven agencies used personal phone and online records of Australians without a warrant more than 330,000 times in the past year according to the Herald Sun. Metadata, which includes records of who rang who, from where and when, was accessed by organisations such as Corrections Victoria, RSPCA Victoria, the Transport Accident Commission and the Victorian Workcover Authority in criminal investigations.

Ditch the Landline

The number of people with a mobile but no fixed line home phone has climbed to 5.2 million, more than double the 2.2 million four years ago. The Australians Get Mobile report also estimates one in five adults are using only mobile devices, such as phones, tablets or mobile broadband connection for the internet. And one in eight are exclusively mobile - with no fixed-line telephone nor fixed internet in their homes.

According to the Herald Sun, Australian Communications and Media Authority research and analysis section manager Hugh Clapin said improved network coverage, the smartphone explosion, better wi-fi access and cost considerations were driving the trend.

Future-Proof Network

Communications Minister Malcolm Turnbull says he's relaxed about Telstra pulling out of national broadband network construction tenders and that it's impossible to future-proof the NBN. Speaking at the Financial Review's National Infrastructure Summit, Mr Turnbull said he had a better understanding of the project and its risks compared with his predecessors.

WELFARE

Obesity: Weighing The Costs

The Sunday Age announced on May 31 that Australia's obesity epidemic is reshaping – literally rather than just

metaphorically – how hospitals are built and the manner in which patients are treated. Equipment costs for accommodating the obese are much greater than those for accommodating the non-obese. Whereas a standard hospital bed costs \$3,300, a hospital bed for an obese patient costs \$8,500.

Likewise: for an emergency trolley, \$5,000 (standard) versus \$12,800 (obese); for a hospital chair, \$400 (standard) versus \$7,000 (obese); for a shower commode chair, \$400 (standard) versus \$1,700 (obese); and for a mattress, \$260 (standard) versus \$565 (obese). Total: for a standard-size patient, \$9,360; for an obese patient, a whopping \$30,565. So even if the obese patient isn't getting enough exercise, his wallet soon will be.

Drug Prices and PBS Charges

Customers will pay up to 50 per cent less for many common medicines, under changes announced to the Pharmaceutical Benefits Scheme recently announced by Health Minister Sussan Ley and reported in The Age. The changes are also expected to save the federal budget about \$3 billion over five years, by encouraging consumers to choose cheaper, chemically identical generic versions of off-patent drugs and less expensive similar drugs.

Ms Ley will introduce legislation to enact the changes, after inking five-year deals with the Pharmacy Guild and the Generic Medicines Industry Association. Negotiations with the patented medicine industry, represented by Medicines Australia, were still being continued at the time the relevant Age issue went to press.

Subsidised Medicine Expenses

Senators have threatened to veto \$7 billion in savings in the Budget, as the federal government was reported by The Australian to have conceded defeat on last year's ambitious \$1.3 billion plan to charge patients more for subsidised medicines. An exclusive survey of cross-bench, ALP, and Greens senators revealed that three new Budget measures were set to fail, despite the government's attempt to retreat from some of the harsh policies which it advocated in 2014. The \$3.5 billion child-care package, the removal of 'double-dipping' for paid parental leave, and the one-month wait for the dole for young people would be unable

to pass the upper house in their current form.

Hockey Versus AMA

Joe Hockey has lashed out at the head of the Australian Medical Association, whom he accused – so The Australian has told its readers – of using 'extreme' language. This comes as a row has developed between doctors and the Abbott government. AMA president Associate Professor Brian Owler called the decision by the government, to help the foundation of a medical school at Curtin University in Western Australia, as a 'calamitous captain's call' by the Prime Minister, and referred to the latter as 'Captain Chaos.' The Treasurer wasn't remotely bashful in responding: 'There is a shortage of doctors ... I think Brian Owler's language was extreme and certainly not fitting for someone representing a great profession. Quite frankly, I think his comments were out of order.'

But the Associate Professor laughed off Mr Hockey's attack, saying that doctors were still dealing with the consequences of last year's federal budget. He also maintained that the Australian Medical Students' Association, the Committee of Presidents of Medical Colleges, the AMA itself, and Health Workforce Australia agreed with him in believing that expanding the number of existing medical schools was a bad idea. They would all rather put the focus upon more training for those graduates who have already emerged.

Call The Doctor: Medibank Is Sick

The Herald Sun has stated that shares in health insurance giant Medibank are threatening to sink below their original price for the first time since the company's high-profile public float.

Medibank Wants More Answers

According to The Australian, Medibank Private – which is the country's largest single health insurer – wants to know how surgery can cost more than 70 per cent more in one hospital than it does in another. The health fund is calling for an industry-wide program to improve quality and efficiency controls, after it analysed admissions for 2014 and thus discovered that they showed significant variations in hospital provider charges; in prosthesis charges; and in medical provider charges. These disparities manifested themselves even after unpredictable

complications had been factored in, and they were based on averaging the top five per cent and bottom five per cent of bills.

Surge In Measles

Federal Health Department data show, a recent Age report reveals, that 340 measles cases were recorded in Australia during 2014. This represents the highest number since 1998. The rate of measles cases on a per-capita basis also peaked in 2014, with about 15 cases for every million people in Australia. These unfortunate developments are being blamed partly on travel – scores of people have brought the disease into the country – and partly on the rise in the proportion of unvaccinated to vaccinated children among those who already live here.

Cannabis: Split Among Doctors

The Sunday Age announced on June 14 that Australia's medical community is divided within itself on the use of medical marijuana to treat conditions such as childhood epilepsy. Contention exists among the nation's doctors as to the burden of proof that should be required before cannabis-based pharmaceuticals are considered effective and safe.

Very much in the pro-legalisation camp is David Penington, former professor of medicine and Vice-Chancellor (1988-95) at the University of Melbourne, who said: 'There is strong anecdotal and epidemiological evidence that it [medical marijuana] does work.' The same edition of the same newspaper carried a long report, by science journalist Andrew Masterson, which dramatically began: 'Think the dope trade is a cottage industry run by people in rainbow T-shirts and dreadlocks? You're busted: the medical marijuana industry is expansionist, aggressive and defiantly capitalist.'

Human Rights Costs

Australia's human rights watchdog presides over a mini-empire in which dozens of fat cats earn \$100,000-plus salaries. The Australian Human Rights Commission employs more than 120 people and paid out a total of almost \$16 million in wages and other benefits, its 2013-14 annual report, published in March, says. Commission president Professor Gillian Triggs is on a \$408,000 annual package, and her six fellow commissioners earn about \$331,000 each. Three other

executives have \$200,000-plus packages, and a further 18 senior staff earn up to \$130,787.

Mirabel Replenished

According to the Herald Sun, funding cuts for a service that supported carers of children in families affected by alcohol and drug abuse will be reversed by Social Services Minister Scott Morrison. The Mirabel Foundation, which was stripped of its funding under previous minister Kevin Andrews in December will gain a \$456,000 Commonwealth grant across the next two years.

TRANSPORT. INFRASTRUCTURE

Virgin Says Flight War 'Not Sustainable'

John Borghetti, chef executive of Virgin Australia, has issued a warning in The Age that the airline would be forced to reconsider flying on marginal routes in the country's north, were the federal government to implement a controversial plan which would allow foreign carriers to operate domestic services in the Top End. With Virgin staring at a loss this financial year before it is expected to return to profitability in 2015-16 – and with the air travel industry around the world being one of the most price-conscious, customer-empowered sectors there is – Mr Borghetti also said that he expected demand from leisure travellers to be 'very soft' for the next six months, thanks to the weak state of the Australian economy.

The government's plans have also been castigated by the ALP's spokesman on transport, the Sydney political veteran Anthony Albanese, who told The Age that such plans would be 'unilateral economic disarmament.' In 2013 Mr Albanese was a serious candidate for the Labor federal leadership, and could well seek the job again if Bill Shorten fails to deliver the goods in 2016.

Smith Versus Watchdog

The aviation watchdog CASA has buckled to more than a decade of pressure from various aviation operatives – including tycoon Dick Smith – and has agreed, according to The Australian, to allow airport ground staff, including firemen, to provide air-traffic information. This set-up has long been accepted in America, but federal laws controlling

airports have hitherto prevented it here.

Satellites And Aviation

Recently the Australian Business Aviation Administration urged Airservices Australia to help offset the costs to operators of having to introduce new satellite-based technology by reducing customer charges in its next long-term pricing agreement. An article in The Australian revealed that ABAA chief executive David Bell said, in a submission to the air traffic controller, that 'very considerable costs' had been incurred by business aviation owners required to install satellite-based Automatic Dependent Surveillance-Broadcast (ADS-B) equipment in business jets.

Melbourne Airport Welcomes Air China's Direct Beijing Service

Chris Woodruff, CEO at Melbourne Airport, announced in early June his approval of the inaugural direct Air China Beijing-Melbourne service. 'China continues to be our most important and number one long-haul market, growing more than 20 per cent in the last quarter alone. I think Air China for its continued support in improving connections to this important market.'

Rail Track Sale Will 'Lift Costs'

The federal government has been warned that the privatisation of the Australian Rail Track Corporation could increase the cost of access for users and could run counter to a push to shift freight from roads to trains. Rail operator Pacific National, The Australian reports, has also warned that the NSW government's multi-billion-dollar infrastructure investment program is at odds with the aim of shifting freight from roads back to rail, because it would make road transport faster and, to stevedores, even more appealing than it currently is.

Coalition, ALP, And Shipping

Business will have greater choice among shipping companies, under a 'substantial' deregulation of shipping in coastal waters which was unveiled on May 20 by the federal government and was noted in The Australian. The move will wind back the ALP-generated laws that forced shipping companies to pay local wages to foreign seafarers carrying domestic freight between Australian ports. By contrast, the new laws will apply only

to ships that spend most of their time in Australian waters.

Don't Build More Freeways

A worldwide trend away from driving cars should make investors and governments more cautious about building big new motorways, says John Daley, chief executive of the Grattan Institute. Mr Daley told the Financial Review that falling car use was one of the most important trends in infrastructure and it should be discussed more than it was by decision makers. 'We should be very careful about the assumption that road usage is going to keep rising in the future at the same rate that it has in the past.' The most recent Bureau of Transport Infrastructure and Regional Economics data suggested passenger kilometres travelled was falling or stable, he said. This was in line with global trends, which suggested a significant change was happening in all developed countries.

Australia must adapt radical new user pays systems for roads and other transport, including technology such as dynamic pricing and even satellite tracking, or face mounting congestion that will damage productivity and living standards. But the proposal for satellite tracking got a cool reception from deputy Prime Minister and Infrastructure Minister Warren Truss, who said it 'wouldn't pass the pub test.' Federal Assistant Infrastructure Minister Jamie Briggs told the Financial Review's National Infrastructure Summit in Sydney that Australia was lagging behind the rest of the world when it came to cost recovery for road infrastructure.

Privatise Us

Roads and railways need to 'get off the drip' of the public purse and find alternative sources of funding to improve Australia's transport infrastructure, says the chair of Infrastructure Australia, Mark Birrell in The Age.

EDUCATION

Too Hungry To Learn?

In a news announcement which conjures up thoughts of Depression-era American novels like *The Grapes of Wrath*, a recent Herald Sun article stated that three children per class in every Aussie school arrive hungry. The poll was carried out by Foodbank Australia, and it reveals increasing

concern on the part of classroom teachers that some students are skipping breakfast, leaving them unable to focus properly upon lessons.

Two-thirds of classroom teachers say that a handful of their students habitually come to school hungry, with about three kids in every classroom estimated to have skipped breakfast on any typical school day. The problem is worse in public schools and more likely to happen in rural Australia than in urban Australia. Maria Packard, from the Dieticians' Association of Australia, described the results as disturbing.

Muslim Schools: Hardliners Under Scrutiny

The Australian reports that the largest provider of Muslim education in the country will be subjected to a nationwide audit of its schools. This announcement comes as the federal government swoops on the Australian Federation of Islamic Councils following a series of complaints.

Good News For Maths-Haters, Bad News For Pyne

Education Minister Christopher Pyne has failed in his May bid to make a mathematics or science subject compulsory in the last year of Australians' high school tuition. According to the Financial Review, any hopes Mr Pyne had of getting this scheme accepted were dashed by the rebuffs he received from Labor governments in Queensland, Victoria, and South Australia.

Campus Fee Deregulation Opposed

Deregulating university fees is not an essential process for Australia to have a sustainable and high-quality university sector. That's the verdict, mentioned in The Age, which was lately delivered by Barney Glover, who is the new chairman of Universities Australia. Professor Glover is the vice-chancellor of one of Australia's newer campuses – the University of Western Sydney – and he said that the university funding debate must focus on the 'compelling case' for increased government investment: not just requiring students to pay more for a degree. Universities Australia itself represents the country's 39 universities, and it has strongly supported the Abbott government's push to allow universities to set their

own undergraduate fees, while opposing proposed cuts to course funding.

Gonski And Public School Means-Testing

According to The Age, an architect of the David Gonski school reforms has slammed a proposal, contained in a leaked government discussion paper, for the federal government to abdicate its current practice of funding public schools. The complaint says that any such abdication would be 'completely foreign' to the equity principles underpinning the Gonski model.

A total of 319 pages in length, the Gonski Report contained 26 findings. The Age says that in general, 'The report observed a decline in the performance of Australian schools, a growing gap between the highest and lowest achieving students, an unnecessarily complex funding model, inadequate data and disadvantage based on socio-economic status.' Recommendations in the report included 'a schooling resource standard with extra loadings for disadvantaged students including those with a disability, a fairer funding model, strengthened governance and accountability.'

On June 24, The Australian quoted Bill Shorten as having softened his stand on whether a future Labor government would reinstate \$80 billion in school and hospital funding while also preparing the ground to trim future outlays on iconic education reforms. The Opposition Leader left room to scale back the ALP's commitments in the two vital policy areas as he warned his colleagues to be ready for an election within weeks, focusing attention on the budgetary policies of both major parties.

Nobel Winner To Lead ANU

One of Australia's most renowned research scientists, Brian Schmidt – a joint winner of the Nobel Prize for physics in 2011 – will be the next vice-chancellor of the Australian National University, the institution where he has worked as a star researcher for the past two decades. Current ANU chancellor, ex-Foreign-Minister Gareth Evans, said that Professor Schmidt had been chosen from a 'stellar field' to take over from Ian Young, who will step down from the vice-chancellor's role at the end of 2015.

FOREIGN AFFAIRS**Gay Your Life May Be**

The US Supreme Court has declared that same-sex couples have a right to marry anywhere in the United States. Gay and lesbian couples can already marry in 36 states and the District of Columbia. The court's 5-4 ruling means the remaining 14 states, in the south and midwest, will have to stop enforcing their bans on same-sex marriage according to *The Age*. The outcome is the culmination of two decades of Supreme Court litigation over marriage and gay rights. President Barack Obama, a big proponent of gay marriage, tweeted his delight at the ruling. He was joined by presidential hopeful Hillary Clinton, who called it a 'historic victory.'

Jakarta Probes

The Indonesian Government says it is shocked by allegations that Australian officials paid people smugglers to turn back asylum seekers at sea and says it will investigate what could be 'bribery' or 'even people smuggling'. In *The Age*, Foreign Ministry Spokesman Arrmanatha Nasir said the boat pushback and bribery claims were not yet officially confirmed and that police in Kupang were still investigating.

Fighting Against Terror

Tony Abbott said in late May, according to the *Financial Review*, that a defeat of Iraqi forces which recently took place in the city of Ramadi entails the need for extra efforts on Australia's part to fight against the Islamic State. The Prime Minister maintained that these would have to include making domestic counter-terrorism arrangements as tough as possible.

In a similar spirit, Peter Jennings, Australian Strategic Policy Institute executive director, told *The Australian* that this country's soldiers and other coalition military advisers should accompany Iraqi troops into battle against Islamic State militants to encourage them to stand and fight. Such a strategy, he said, would change the role of Australian troops in Iraq from 'advise and assist' to 'advise, assist, and accompany' as they did effectively in Afghanistan. Mr Jennings, who heads the government's Defence White Paper advisory team, acknowledged that the two situations differed from one another, and that an anti-Islamic-State action would be much the more dangerous of the two.

But on May 29, *Age* columnist John Garnaut took a different tack. 'If you believe Julie Bishop you'd think terrorism is "the most significant threat to the global rules-based order to emerge in the past 70 years." And in case you thought she was talking loosely, or off-the-cuff, the Foreign Minister went out of her way to assure her Sydney Institute audience: "Included in my considerations is the rise of communism and the Cold War." Bishop's giddy belief in the power of terrorism – ranking it higher than Cold War flirtations with nuclear Armageddon – is consistent with the implied priorities of Prime Minister Tony Abbott, who has lifted the Islamic State's "death cult" to the very top of his talking points.' For Mr Garnaut himself, by contrast, 'Terrorists will come and go, but China [is] here to stay.'

Home Sweet Home, I'm A Terrorist

At least three Australians suspected of fighting with terrorist groups in Syria

are in secret negotiations with Canberra authorities – so says a front-page report from *The Australian* – to flee the war zone and come back to their homeland. But the talks stalled in mid-May, amid concerns from the fighters themselves over what punishment they would face in Australia, and also amid the post-Lindt-Café fear by the government that they might pose a terror threat if back on native soil.

Chinese Investments

The *Financial Review* reported in late May that Chinese-linked companies have applied to Australia's Foreign Investment Review Board in the hope that they will be given permission for an investment that involves the Fortescue Group. Andrew Forrest was also described by the same newspaper as having gone to ground amid speculation that Chinese interests are lining up at the Board; Mr Forrest is a one-third Fortescue owner himself.

Charges Of Aussie Corruption In Nauru

The Age announced in early June that federal police officers were preparing to lay criminal charges over allegations that a number of high-ranking Nauru politicians accepted bribes from an Australian company. Nauru's president since 2013 has been Baron Waqa.

A Passage To India With Trade Minister

Trade and Investment Minister Andrew Robb returned to India during late April, after his third visit to that country in fewer than eight months. According to *The Australian's* coverage, he hoped to maintain pressure on the ambitious goal of securing a free trade agreement with the Indian government before 2015 is over. 'It won't be easy, but it certainly remains an achievable goal,' Mr Robb said.

Bernie's Left Hook To Hillary

Until very lately, those political commentators cognisant of Vermont Senator Bernie Sanders in the first place – and there weren't all that many of them – usually dismissed him as a left-wing provincial idealist incapable of acquiring a serious national reputation, let alone of frightening the Clinton-forged establishment within

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the Democratic Party. As Barack Obama's term of office approaches its close (a 1947 amendment to the US Constitution forbids any president to serve more than two terms), that's no longer true. The Age noted on June 10 that in the contest for the Democrats' presidential nomination, Mr Sanders surprised everybody by slashing Hillary Clinton's hitherto formidable opinion poll lead, coming within eight percentage points of her approval ratings in the key primary state of Wisconsin. At first his low-budget bid was called quixotic when he launched it in April. Then, he said that his 'key concerns were growing inequality, campaign finance reform, and climate change.' His ambition seems much less quixotic right now.

Ex-PM Goes To Jail

Being a former head of Israel's government won't save you if you're found guilty of fraud. The 69-year-old Ehud Olmert has now learnt this the hard way. An Israeli court recently sentenced him to eight months' imprisonment for having taken illegal payments from an American businessman. The Herald Sun noted that Olmert was convicted of actually accepting envelopes filled with cash while he was Trade Minister. He held this job before his 2006-09 term as Prime Minister.

Caught On Camera: Aussie Animals In Israeli Abattoir

Australian cattle and sheep have been filmed being brutally slaughtered in an Australian-approved abattoir in Israel. The hidden camera footage, some of which was reproduced in The Age's report on the matter, was obtained in an investigation by animal rights group Animals Australia. It shows cattle having their tails deliberately crushed, attempting to regain their feet after having their throats cut, and being hoisted upside-down while unconscious.

The group's chief investigator, Lyn White, said that the remote access to CCTV vision was necessary because the presence of CCTV cameras at the abattoir itself, at Deir Al Asad in Israel's north, had not deterred workers from mistreating the animals. Two Australian exporters – Livestock Shipping Services and Otway Exports – ship animals to Israel.

Ms White maintained that the investigation highlighted the failure of

the Exporter Supply Chain Assurance System (ESCAS), which is the regulatory framework set up by Julia Gillard's government four years ago to ensure that beasts exported from Australia were spared needless suffering. The framework came into being after public outrage over the live cattle trade to Indonesia. 'That Australian cattle could be subjected to such abuse in an approved abattoir,' Ms White stated, 'presents further evidence that this system is fatally flawed.'

DEFENCE

Bolt On Anzac Day And National Warfare

Discussing the Gallipoli centenary and in particular the commemorations on April 25 itself, Herald Sun columnist Andrew Bolt observed two days later: 'Academics and historians sneered but they couldn't stop Australians turning out on Anzac Day in massive numbers ... Anzac Day was important to them. It was a rare symbol of what united us – not just to each other but to our past and our best traditions.'

Destroyers Over Budget

The Air Warfare Destroyer program will run about \$2 billion over budget, and will be nearly three years late. This is the pessimistic finding, noted in The Australian, of a forensic audit recently released. The total cost to build the three missile destroyers will exceed \$9 billion, meaning that each ship will cost approximately \$3 billion. Comparable ships constructed by Navantia in Spain cost a lot less: about \$1 billion. If Australia had bought the ships ready-made from the Spaniards, it could have had nine of them for the price of three, or saved \$6 billion.

Testing the China Waters

Greg Sheridan reported in The Australian that the Abbott government is seriously and actively considering conducting its own 'Freedom Of Information' exercises near artificial islands built by China in disputed territory in the South China Sea. Likely options being considered appear to include the use of a P-3 maritime reconnaissance aircraft. A similar aspect of China's global influence became evident in a recent appeal by Defence Minister Kevin Andrews, whom the Financial Review reported as having urged that a halt be called by the Chinese regime

to all land reclamation activities in the South China Sea disputed region.

Shipbuilding At Risk

Shipbuilder BAE systems told workers at a mass meeting that it would not tender for the construction of 21 new Pacific patrol boats, a \$600-million project the Federal Government hoped it would be a lifeline for the struggling industry. The announcement raises serious doubts about the future of the Williamstown shipyard. BAE, who employs about 1100 workers, laid off about 150 employees and subcontractors earlier this year and foreshadowed 80 further redundancies last month. BAE said in The Age the defence contract would not be awarded until 2017, meaning work could not start until 2018. 'The Australian naval shipbuilding industry needs the government to accelerate future naval shipbuilding projects ... with a plan that supports continuous production.'

Cull Your Numbers

As many as 1000 Defence jobs, including those of senior managers and uniformed officers, will go as part of a major restructuring of the Defence Department. The government will also scrap two major agencies and disperse their responsibilities and staff through the department, Defence Minister Kevin Andrews announced in The Australian. He said the government was adopting 75 of 76 recommendations made in an exhaustive review of Defence carried out by a team led by former Rio Tinto Australia head David Peever.

Unmanned Drones Limited

Australia's new giant unmanned aircraft may not be able to track terrorist movements in neighbouring countries due to a budget shortfall which could rob the drones of this special feature. According to The Age, Australia plans to spend about \$2.5 billion for up to seven unmanned Triton maritime drones in a move which will transform Australia's ability to patrol its vast maritime approaches.

It All Counts

Australia will begin to count the cost of its military and police deployments in humanitarian disasters and UN peacekeeping operations as part of its overseas aid spend, Foreign Minister Julie Bishop says. The new

reporting system will be modeled on the United States' 'green book', which tallies all forms of US assistance given to other countries, including economic aid and 'military assistance' according to The Age.

Soldiers' Remains To Come Home

The remains of 25 Australian soldiers killed in the disastrous Vietnam War between 1962 and 1966 will be exhumed and returned to Australia, should their families choose, under an offer which was recently made by the federal government. Of the 60,000 Australians of fighting age, 521 did not return alive, although from 1966 onwards the fallen were repatriated rather than buried in a third country. The very last Australian troops still serving in Vietnam left in 1972, when Gough Whitlam led the ALP to its first federal victory in 23 years.

Push To Build On Defence Land

Parcels of defence land around the country could be released by the Commonwealth, according to The Age, in order to create more affordable housing. This idea is being championed in Victoria by Premier Daniel Andrews.

INDIGENOUS

City Rally Slams Closure

Around 1000 protestors blocked peak-hour traffic in the city to rally against the closure of remote Aboriginal communities in late June. The protestors had set up a blockade on Swan Street bridge and held a smoking ceremony, chanting 'Stop the forced closures' according to The Age.

SPORTS. ARTS

Culture Funding Changes Condemned

Two leading philanthropists have denounced the federal government for creating confusion in the arts with its recent decision to cut \$110 million from the Australia Council and to establish a new funding program within the Arts Ministry. The Australian reported that a fortnight after the Budget announcement of the cutback took the culture sector by surprise, Arts Minister George Brandis still had not made clear how the new National Program for Excellence in the Arts was going to operate. One of the philanthropists concerned, Kim Williams, predicted that it would surprise nobody if donors 'kept their hands in their pockets.'

FFA and FIFA: Not Such A Beautiful Game

Suddenly it seems like small beer, The Age observed. The 'small beer' in question would be pretty intoxicating beer to most of us. To wit: the \$500,000 of taxpayers' money which soccer's Football Federation Australia deposited in a Caribbean bank account in 2010, amid its failed campaign to secure the 2022 World Cup. That money was supposed to be a donation to help build a football stadium in Trinidad and Tobago. Instead, it was allegedly pocketed by Jack Warner, a politician and leading football exponent there, who was also the vice-president of the game's world governing body: the Fédération Internationale de Football Association, better known as FIFA.

Late in May, the 72-year-old 'Trinidad Jack' was one of the biggest fish among 14 men, nine former and current officials of FIFA included, who were arrested and accused of 'rampant, systemic, and deep-rooted' corruption. Authorities from no fewer than three US government offices – the FBI, the Justice Department, and the Internal Revenue Service – alleged that these defendants had taken or paid more than \$US150 million, the equivalent of \$A196 million, in kickbacks and bribes. Some of these transactions were as long ago as 1991.

In another relevant Age news item, Sussan Ley, who is our own government's Minister for Sport as well as for Health, proclaimed that Australia would not commit public money to any World Cup bid overseen by FIFA unless and until that body is reformed. 'Sport,' she said, 'is ultimately about the participants, fans and the love of the game, not individual interests, and corruption of any form has no place.'

On the last day of May, The Sunday Age announced that FIFA president Sepp Blatter, recently re-elected, had given the strongest indication to date that Australia and other dissenting countries could suffer recriminations over their efforts to oust him from soccer's top job. Blatter was returned as the head of the game's governing body during the FIFA congress in Switzerland on May 29. That very day, another Age article referred to an alleged \$500,000 theft

of Australian football funds by Warner, this matter having been referred to the Australian Federal Police by South Australia's independent Senator Nick Xenophon.

AFP Hunts For Missing Payment

Billionaire soccer and media boss Frank Lowy released in early June confidential documents – including a \$US462,200 cheque from Australia allegedly embezzled by a FIFA chief – as it seemed likely that the FBI would investigate payments made by Australian sources before our failed bid to host the 2020 World Cup. The Herald Sun confirmed that FFA, as opposed to FIFA, officials also revealed having made contact with the Australian Federal Police, which is helping to probe donations made to the West Indies' Jack Warner.

Goodes Backed By AFL

Adam Goodes' controversial war dance, the Herald Sun tells us, has been backed by indigenous players and the AFL itself, but wider opinion remains divided. Meanwhile, Nigel Scullion, the Indigenous Affairs Minister, weighed in simply by saying 'Good on ya, Goodsey.'

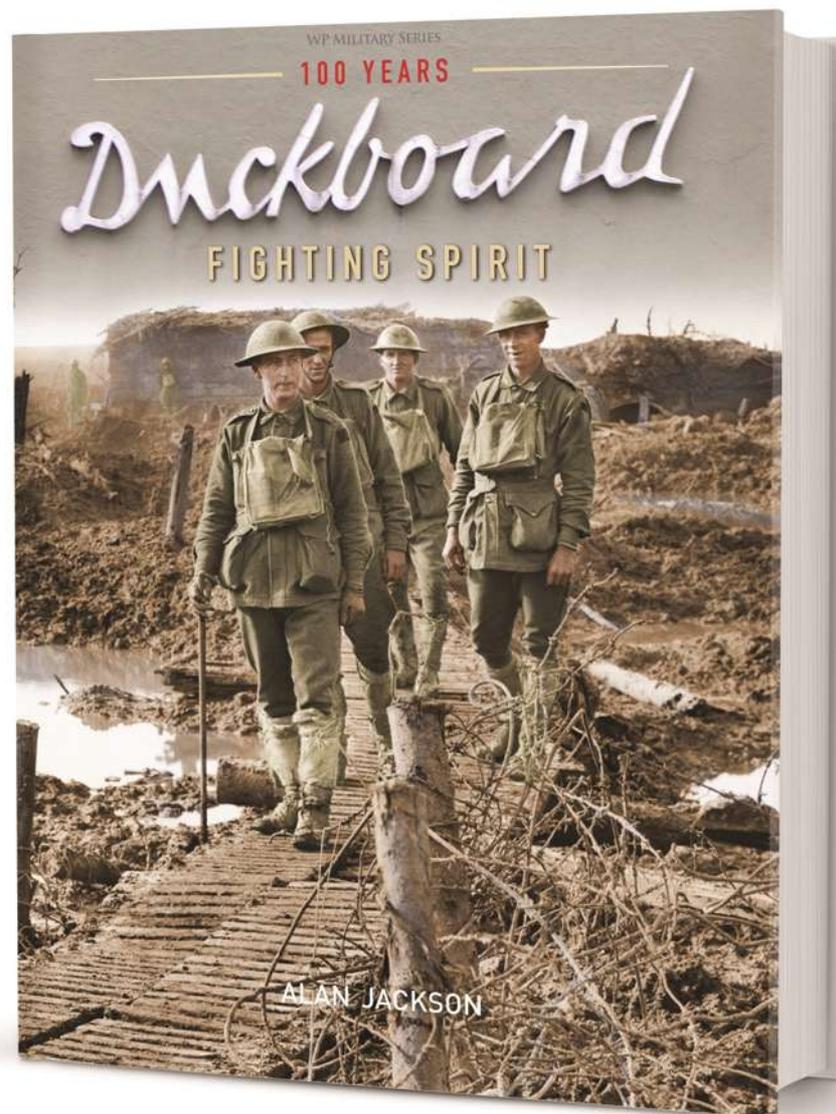
Miles Franklin Winner

Sofie Laguna scaled the heights of her third chosen profession on June 23, when she won the \$60,000 Miles Franklin Literary Award for *The Eye of the Sheep*, a 'raw, high-energy' novel about a developmentally challenged boy. According to The Australian, Ms Laguna originally studied law, then abandoned that for acting – she had several parts in *Blue Heelers* and *A Country Practice* on television – before taking up writing both fiction and drama.

Melbourne Maestro

Now the man who has been in charge of the Melbourne International Chamber Music Competition for the past decade, Benjamin Woodroffe, 44, is joining past winners on the world stage. He leaves in September to take up a new job as secretary-general of the World Federation of International Music Competitions. 'My priority has always been helping young artists realise their full potential. Moving to Geneva will allow me to do it on a bigger scale.' According to The Age, the federation is the umbrella body

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SOCIETY

Seeking A Say On Same-Sex Marriage

Nicholas Reece, a principal fellow at the University of Melbourne, devoted an Age column in late May to recommending what Ireland recently adopted: a plebiscite on the issue of whether same-sex marriage should be declared legal here (it is already legal in Britain, New Zealand, France, Argentina, and the US). He wrote: 'A plebiscite could break the political impasse over marriage equality that is an embarrassment to Australia.'

A recent Financial Review report, commenting upon the Irish referendum – where 62 per cent of voters, almost incredibly in a land once renowned for the toughest Catholicism, favoured same-sex marriage – said: 'While Ireland needed to change its constitution to achieve marriage equality, Australia could do so through Parliament ... Tony Abbott said the question of whether to legalise same-sex marriage had been dealt with "convincingly" in the last parliament. In 2002, legislation that would have allowed same-sex couples to marry was voted down in a 98-42 split.'

Meanwhile, on May 29, The Australian carried a full-page ad with the headline: 'Join the growing list of Corporate Australia supporting Marriage Equality.' Companies listed therein include Westpac, ANZ, David Jones, and Ben & Jerry's. According to a new poll which The Age cited in early June, a clear majority – between 64 and 69 per cent – of voters in key Coalition-held seats would support the notion of federal parliamentarians having a free vote on same-sex marriage. And in a separate development which The Age reported, Alastair McKenzie, who is the brother of Nationals Senator Bridget McKenzie and a fellow member of the same party, produced a 370-word letter denouncing her opposition to same-sex marriage.

Magna Carta 1215-2015

At The Sydney Institute on June 9, Human Rights Commissioner Tim Wilson, lawyer Anya Poukchanski, and PriceWaterhouseCoopers Financial Services Leader Hugh Harley met to

discuss the 800th anniversary of Magna Carta, and the legacy of this ground-breaking document in terms of our own legal system, Good detail next edition.

Pope Warms Climate

Politicians from across the political spectrum and Catholic Church leaders have welcomed Pope Francis' major encyclical on the environment, saying they expect it to have a significant impact on the local and international climate change debate, with the potential of changing voting intentions. Melbourne Archbishop Denis Hart, who is also president of the Australian Catholic Bishops Conference, described the encyclical as a 'clarion call' to all global leaders, including those in Australia, to take stronger leadership on climate change as reported in The Age.

We Are Poorer for It

Paul Hogan has lamented the absence of larrikins in Australian society. I agree with him. Over the past few years political correctness has been taken to absurd levels. The wrong word used innocently is labelled racist, or misogynistic, inappropriate or worse. Apologies are demanded. Larrikins do not have to be law-breakers, but they have a challenging sense of humour. According to Jeff Kennett in the Herald Sun, they do things that are often on the edge of good taste or convention.

VALE

Alan Bond, aged 77. Australia's greatest living folk hero after 1983 and the America's Cup triumph, before the imploding of 'WA Inc.' saw him incarcerated for fraud, after which hiatus he bounced back with much of his old panache, despite the tragic deaths of his daughter and second

wife; described by biographer and broadcaster Paul Barry as 'an amazing individual, with boundless confidence and energy ... also a man with a huge ego, scant regard for the rules, and precious little empathy.' Perhaps his best epitaph can be found in the late Kerry Packer's words: 'You only get one Alan Bond in your lifetime, and I've had mine.' Amen to that.

William Cooper, aged 81. Artist described by Sir David Attenborough as 'greatest living scientific painter of birds'; responsible for such books as Parrots of the World and Pigeons and Doves in Australia.

Les Royston Johnson, aged 90. ALP parliamentarian 1955-66 and again 1969-83; the youngest member of the 1955-58 House of Representatives; he was Minister for Aboriginal Affairs in Gough Whitlam's cabinet, and Bob Hawke appointed him Australia's High Commissioner to New Zealand. Bill Shorten called Johnson 'Labor to his bootstraps.'

John Forbes Nash, aged 86. World-renowned mathematical genius, 1994 Nobel laureate in economic sciences, and the subject of the Oscar-winning Russell Crowe movie A Beautiful Mind; killed with his wife in a New Jersey road accident, when the driver of the taxi in which they were both passengers lost control of his vehicle while taking them from Newark Airport.

Ron Spencer, aged 81. Veteran organiser of the Miscellaneous Workers' Union ('Missos') and left-wing peace-activist, whose involvement with the ALP ensured the beginning of Senator Kim Carr's parliamentary career, but who – unlike fellow peace-activists such as former Deputy Prime Minister Jim Cairns – was denied a visiting visa by the US government.

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The Letter Man



Letter from Canberra
6 July 2015
Dianne Smith
Chief Executive
Victoria Tourism Industry Council

Avalon seizes golden aviation opportunity, however tourism disappointed by shelving of Point Nepean project

This month the Victoria Tourism Industry Council (VTIC) welcomed the announcement that Jetstar will introduce daily flights between the Gold Coast and Avalon Airport, as a result of its agreement with the State Government that sees the continuation of the airport's passenger operations.

It is wonderful for Western Victoria to have direct access to a population of more than 500,000 people around the Gold Coast airport. The additional 65,000 seats a year coming into Avalon will provide a significant opportunity to showcase all the region has to offer throughout greater Geelong, the Bellarine Peninsula and the Great Ocean Road.

VTIC applauds Jetstar's commitment to work closely with local and state tourism bodies to promote the greater Geelong region in the South East Queensland market and looks forward to the release of the second of the two additional routes under the agreement.

However, Victoria's tourism sector was disappointed that a compromise was not reached to continue with an innovative project in Mornington Peninsula's Point Nepean site, following the State Government's decision to walk away from an agreement with the private sector.

The plan centred on the Quarantine Station part of this National Park and entailed a sustainable development that was sensitive to the local environment. Its focus was to preserve the integrity of the site's natural and cultural heritage and to create more access for people to experience this wonderful place. However the failure to reach a compromise means the state is delayed in realising the benefits of sustainable tourism.

Public private partnerships are vital to the growth and prosperity of our sector. Point Nepean is a significant cultural and heritage site and the private sector was positive about working with government on a great project for Victoria.

The State Government has delayed this Point Nepean development, which has the potential to diminish private sector confidence in investing in Victorian tourism projects.

Our industry saw this as a litmus test for future developments of this nature and there is now concern regarding investment in innovative, job creating new tourism projects in Victoria.

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