

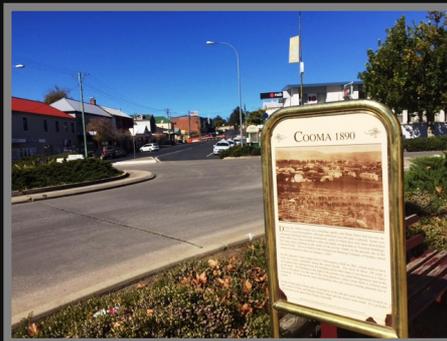
LETTER FROM
CANBERRA

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Pre-Election Historic Edition



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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.
Saving you time; now in its eighth year.

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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-practicing) 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.

About the publisher

Affairs of State

Established in 1993, is an independent Australian public affairs firm with contemporary international connections. Affairs of State provides a matrix of professional tools to multinational businesses, professional and industry associations, government agencies, pressure groups, NGOs and community causes in Australia and abroad.

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EDITORIAL

Leadership of an elected party is vital Leadership. Yes, Political Parties need to have leaders and from time to time we see that one parliamentarian of a party is elected by his/her colleagues over another. In this very space we also know or recognise or reckon that there are the good leaders within the federal (or state or territory) parliamentary party who can well look after health or foreign affairs or infrastructure or whatever, some ministers with more flexibility than others. Not all need to be the Leader

Yet the Great Game for the Media is to focus on personalities rather than policies and even real politics. Running a nation is a Team Game if the Nation is to stand firm in its own ocean or other surroundings.

Not a spelling error. Over Austria way, a 72 year-old economics professor and former Green Party leader Alexander Van der Bellen has won his country's cliff-hanger, a razor-thin majority, narrowly defeating his far-right rival, with 50.3 per cent of the vote to the Freedom Party's 49.7 per cent, a difference of about 30,000 votes. As Alison Smale writes from Vienna, Doron Rabinovski, a writer who was among several prominent intellectuals supporting Mr Van der Bellen, noted that 'the 50-50 vote is not in itself a split: that's democracy. But how one proceeds is what matters. We do have a problem in this country, that politics has been conducted not in discussing substance but only at the level of the tabloid press'.

After the Election, it might help people/voters to understand the result(s) better if they could have understood the main details of the policies during the election. Also many issues continue in our Australia on a regular basis, including the Canberra bureaucracy, foreign affairs, infrastructure, defence, hospitals, education and everything/anything else. Let the Media play their part on a long-term basis.

REFLECTION

Over the past eight weeks: Election Promises, new every day and difficult to keep track of. The (American) Presidential nature of the campaign, are we really being asked to vote for Bill or Malcolm? The media wants this. The Australian media obviously do not understand the quite different methods of electing a government in the United States.

On Saturday evening around the TV set: Polls indicate a 50/50 vote but the 21 seat majority held by the Coalition is a significant hurdle for the ALP to overcome.

Seats to watch, in Victoria... Bass, Dunkley, Deakin, Aston, McMillian, Corangamite, Happy Reading. Might you have voted well, or intend to do so.

INDEPENDANTS

True Liberal Versus Fake Liberal.
Stephen Mayne, Melbourne City Councillor, founder of Crickey and the Mayne Report, has focused on several attributes of long-term respected Liberal member for Menzies Kevin Andrews, with an ambition plan to win the seat with lots of media coverage and supporters. He will give his preferences to the Greens.

Self-storage businessman **Sam Kennard** has nominated to the Senate as an Liberal

Democrat focusing on superannuation. He also said that government spending was at the heart of his campaign, warning that a deterioration of our fiscal circumstances is on a Greek-like trajectory. The Editor would send some of the Australian Electorate Office staff off to primary school to learn some of life's basics, such as how improper it was to approve Liberal Democrat such a name in the electoral process when there at least one similar name nearby.

SUPERANNUATION

The Prime Minister and the Opposition Leader have continued to bash each other over Liberal, and Labor, policies on superannuation. The word retrospective was used earlier in the campaign and has been perhaps slightly relevant in a few circumstances but is still fully pushed as a major plan by the Liberals. The Prime minister used a televised debate, says the Australian, to say that coalition government would not go beyond the super tax increases presently before the public, and attempting to highlight sweeteners in the package that helps women and those on low incomes. The word retrospective has divided experts, in the Australian.

MEDICARE

Like a dog with its bone, The Labour Opposition continues into the final three weeks of the campaign, to suggest that the Government, if returned, would privatise aspects if not all, but it sounds like all, of Medicare. The Government says that no part of Medicare will be privatised

REFUGEES

The Greens have accused the federal government of 'internationally' torturing refugees, after World Vision chief executive Tim Costello raised concerns about the mental state of asylum-seekers in off-shore detention. These camps are clearly designed to be torturous said Greens' Sarah Hanson-Young This policy of offshore torture, so cherished by the Labor and Liberal parties is destroying people right in front of our lives.

Dismissing the criticism, the Prime Minister said, in the Australian, that he did not accept Mr Costello's assessment. It is absolutely critical that we maintain a secure border protection policy and that is why it is absolutely critical that people who seek to come to Australia through the services of people-smugglers are not able to settle in Australia.

Nearby, The Uniting Church in Australia is calling for an intake in the national refugee intake to 60,000 per year by the end of the decade, unveiling an election manifesto it has based on biblical teachings. The Church, Australia's third largest Christian denomination, has published a 'toolkit' to address hot-button election issues including refugees, climate change, renewable energy and anti-terrorism laws. The Church calls on its nine million members to lobby their local candidates

DEFENCE

The French won the \$150 billion/12 submarine bid over the Japanese and German bids in early May. Some interesting articles are appearing in the media. Perhaps the French submarines ate quietly. Nuclear subs could not work or might even be a part of some future process. We will read of more detail in due course.

SOCIETY

Bill Leak draws daily cartoons in the Australian. He has won nine Walkley Awards, 19 Stanley Awards and two News awards. In The

Australian on 11-12 June he wrote a full age Inquirer article 'You'd laugh if this weren't so absurd. Forget terrorist attacks, it's humorless hipsters who threaten our way of life...Prudishness today is the prerogative of the hipster and virtue signaling and censoriousness have become fashionable.... The cartoonist's task has always been to reveal uncomfortable truths. The Editor will get a copy of this article to any subscriber request

INTERESTING ITEM

Canberra Airport welcomes Uber nine months after service launched in ACT

CANBERRA TIMES Clare Sibthorpe
The Canberra Airport has officially welcomed Uber with a dedicated pick-up lounge, while Uber says its smartphone app no longer blocks Canberra Airport pick-ups.

The agreement was announced on Monday, after six months of discussions and nine months after Uber was legally introduced in the ACT.

Canberra Airport formally welcomed ridesharing platform Uber to the range of ground transport options on Monday. But it appears Uber drivers had been collecting customers from the airport despite the restrictions, with some people being told airport pick-ups were allowed.

Canberra Airport managing director Stephen Byron said that as of Monday, passengers could order an Uber from the airport through the app and be directed to an airconditioned Uber pick-up lounge. Signage was also installed around the airport.

"This is the first time an airport in Australia has reached an agreement with Uber," Mr Byron said.

"One of the things with the technology of the Uber App is that it tells customers where the specific location [of the lounge] is."

An Uber spokesman said the Uber app did not previously allow customers to enter the airport as a pick-up location. But he said riders may have ordered drivers from just outside the airport premises.

However, a March email obtained by Fairfax Media sent from an Uber support team worker to a confused customer read that "you can absolutely request and be picked up at the Canberra airport".

"Each airport has different requirements, so make sure to touch base with your driver to arrange pick-up," it read.

Similarly, one month after Uber launched in the ACT, The Canberra Times compared taxi and Uber rides from the city to the Canberra Airport and back, stating the \$3 charge Uber drivers were required to pay to pick up passengers at Canberra Airport. The Uber spokesman confirmed on Monday that this surcharge now formally applies.

The spokesman also said the March email was a misunderstanding and that other riders and drivers were aware pick-ups from Canberra Airport are were not allowed before Monday.

Mr Byron acknowledged "people may have been making [pick-ups from the airport] work," but said "legal complexities" had prolonged the formal agreement process.

He expected passenger waiting times during peak hours to reduce now inbound passengers to Canberra could use Uber from the airport.

"Careful planning went into the new terminal around what future ground transport might look like and our investment ahead of time means we can appropriately accommodate different modes of transport," Mr Byron said.

"Just as we have an air-conditioned indoor taxi rank for customers choosing cabs, so we have an air-conditioned lounge tailored to the needs of ride-sharing customers."

ACT Chief Minister Andrew Barr welcomed the move and said "it comes just in time for the arrival of direct international flights to the ACT... which will begin in September".

According to Uber, 11 per cent of international visitors to Australia use the ridesharing service.

THE ELECTION

In a bold display of confidence Prime Minister Malcolm Turnbull has declared he will win the July 2 election because Australians trust the government's plan to deliver a secure economic future. Mr Turnbull made the bold "we will win" declaration yesterday as he warned that the possible departure of Britain from the European Union after a referendum next week could be a shock to the global economy. He said Australia needed strong economic leadership to ensure the country was capable of responding to international challenges such as pregnant. *The Herald Sun*

Business has urged Malcolm Turnbull to show more backbone over his 10 year plan to cut the 30% company tax rate, saying the prime minister risks harming investor confidence by arguing there is no guarantee the policy will ever be delivered in full. *The Australian Financial Review*.

The makeup of the senate could be even more complicated after the election with predictions of a larger cross bench than that which Malcolm Turnbull tried to eradicate by changing the voting rules and calling a full Senate election. The analysis conducted by the Australian Institute, is supported by a separate assessment by ABC election expert Antony Green, and is based largely on voting intention in published polls. The most likely scenario at this stage is that after the election, there will be 9 Senate cross benches of which up to 6 and a minimum of 4, will belong to the Nick Xenophon's team. This would be one more than the old 8 member crossbench. The Coalition is on track to lose one Senator and drop to 32 spots. Labor which now has 23 senators, could end up with 26 while the Greens will lose one in South Australia to reduce the total to 10. To pass legislation through the senate a government needs 39 votes. If the Coalition wins the election it will need the support of either Labor, the Greens or 7 members of the crossbench. Senator Xenophon will become a key player because his block of votes will be critical to delivering a third option if Labor win the election. Its task will be more challenging if it is opposed by a Coalition on a measure it would need on every occasion support of the Greens and 4 crossbenchers. *The Australian Financial Review*

Activist scientists and lobby groups have distorted surveys, maps and data to misrepresent the extent and impact of coral

bleaching on the Great Barrier Reef, according to the chairman of the Great Barrier Reef Marine Park authority, Russell Reichel. Full survey of the reef released yesterday by the authority and the Australian Institute of Marine Science said 75% of the reef would escape unscathed. Dr Reichel said the vast bulk of bleaching damage was confined to the far northern section of Cape York, which had the best prospect of recovery due to the lack of on shore development and high water quality. *The Weekend Australian*.

Independent Senator Nick Xenophon has warned he will be ruthless in using his numbers in the upper house to impose his agenda on the next government, including that Australia withdraw from free trade deals at the heart of the current Malcolm Turnbull strategy. The South Australian Independent yesterday seized on the face of troubled Whyalla based steelworks to oppose Australia's entry into a world trade organisation procurement agreement as well as the landmark trans-Pacific partnership trade pact covering 48% of global GDP and delivering a 1 billion dollar boost to Australian farmers. *The Weekend Australian*.

Embattled Labor frontbencher David Feeney is copping international flack for going rogue in his Melbourne campaign to see off the Greens in Batman and ignoring party advice. It emerged that he left confidential ALP talking points outside a TV Studio following what's been dubbed a "Trainwreck" interview. Mr Feeney, who is under fire over failing to disclose a \$2.3 million negatively geared house that he owns in the seat, has surprised ALP Insiders by using a billboard featuring a giant image of himself. *The Weekend Australian*.

Outgoing Labor Senator Nova Peris has launched an emotional defence on her departure from politics after serving only one Senate term for the Northern Territory, telling her critics they are in no position to judge her. *The Weekend Australian*.

David Crowe, political correspondent for *The Australian* suggests Bill Shorten's Labor studiously avoids economic matters.

Embattled Liberal candidate Chris Jermyn, may have broken electoral laws by claiming he was living in a house that didn't exist. *The Age*.

Malcolm Turnbull has dismissed any chance of Tony Abbott returning to the front bench should

the Coalition win the election but conservatives continue to agitate, with Immigration Minister Peter Dutton saying the proposal had merit. *The Australian Financial Review*.

Labor Leader Bill Shorten has weighed into the fight over council amalgamations in New South Wales, despite a week of trying to avoid the CFA crisis in Victoria, by dismissing it as a "state issue". Mr Shorten described council amalgamations as causing "serious community uproar". *The Australian Financial Review*.

Federal Labor has hit the panic button over the CFA a crisis in Victoria with MP's and strategies bombarding Premier Daniel Andrews office with calls warning it is damaging their election campaign. This comes as volunteer firefighters confirmed to federal Liberal MP's they would campaign for them in key seats for the July 2 poll. Senior federal Labor figures told the Herald Sun hopes of reclaiming the liberal marginal seats of Corangamite and La Trobe were quickly fading amid the fallout. *The Herald Sun*.

Northern Territory Senator Nova Peris has announced her resignation from politics to try for a job with the AFL, leading the Labor Party scrambling to find a replacement before the July 2 election *The Age*.

"Small business people in electorates across Australia will play a vital part in the election. They make up between 8 percent and 16 percent of voters, on average around 11.7 percent per electorate. This is significant when margins are as low as 0.2 percent for contested seats. There is no denying that the vote of every small business owner and those working for them count," said Strong. *The Herald Sun*.

A sexual health academic research on safe schools has dismissed parental concerns over the content, blaming a "hate campaign" by *The Australian* for controversy around the program. As La Trobe university grapples with restoring the reputation of the program, emeritus professor Anne Mitchell has defended safe schools Coalition Victoria co-founder Roz Ward, who returned to work on Monday following a brief suspension, claiming her Marxist links were "an absolute gift" to detractors. *The Australian*.

A record four million people about one in four voters are tip to cast their ballot before the July 2 polling day by. *The Australian*.

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An influential small business group has delivered a devastating blow to Labor, declaring that the party has regressed under Bill Shorten and is now less supportive of small enterprise than the Greens. To drive home its message, the council of small business organisations in Australia has decided to target the Melbourne seat of Batman along with up to eight marginal seats, in a mail out before the election that will highlight Labor's anti business stance to thousands of small businesses. The move from COSBOA comes as the Australian Chamber of Commerce and industry pledges to mobilize its nationwide membership base of 300,000 enterprises and 4 million workers, to promote the economic benefits of corporate tax cuts, and as the business Council of Australia launches a national advertising campaign in favour of the Coalition's election platform. *The Australian*.

An architect of school curriculum has demanded a stop to the outsourcing of religious instruction and sex education to ideological interest groups. Ken Wiltshire, who reviewed the national curriculum for the Coalition government last year, said that the controversial subject should be taught only with parental consent. He said the safe schools furor showed the danger of letting "ideological groups" devise lesson plans without education department input. *The Australian*.

Nick Xenophon appears to have been caught out denying he or his family had unwittingly become slum lords in a unit block blighted by illegal overcrowding.

The senator admitted to last week to failing to declare to Parliament he was the director of a company that developed and sold the Adelaide Tower apartments. *The Age*.

Opposition leader Bill Shorten has moved to avoid an election stoush with the nation's churches by vowing to maintain exemptions for religious organisations from anti-discrimination laws.

Exemptions allow religious welfare agencies, hospitals and schools to not hire gays, lesbians and divorcees if they are believed to not comply with the relevant doctrine. *The Age*.

More than 30 Coalition MPs are entitled to indexed pensions totalling more than \$6.7 million a year in retirement, courtesy of John Howard's loathing of retrospective changes to superannuation.

As the Turnbull government presses ahead with a cap on non-concessional super contributions that has been labelled retrospective, analysis by *The Australian* reveals nine cabinet ministers are among those whose lucrative pensions were grandfathered in 2004.

They will collect an average allowance of about \$211,400 each year for the rest of their lives from the scheme, which will pay out about \$46.4m next year alone.

In 2004, Mr Howard, responding to public discord over politicians' retirement perks, closed the generous defined-benefit scheme for new MPs but drew a line at retrospective changes. *The Age*.

The Doctors Lobby yesterday ramped up its campaign against the Coalition's extended freeze of Medicare rebates, a day after pathologists agreed to end their bulk billing campaign in exchange for regulated rents. *The Age*.

Victoria about to be hit with a tsunami of negative political commercials as the major parties to splurge millions attacking each other.

The Coalition will kick start the countdown to polling day with its first full blown attack ads aiming at Labor's potential economic dealing with the Greens. *The Herald Sun*.

The Greens plans to use any influence the party has over the next government to force the big four banks to sell their wealth divisions, which account for around \$3 billion of profit a year. The party's banking and finance policy, released this week, is aimed outlawing the so-called vertically-integrated business model. This would force banks to sell businesses such as insurance and financial advice, returning them to their traditional role as deposit-taking and loan-making institutions. The Labor Party has also expressed concern about the combination of regular banking and selling other financial products. In April, Labor Leader Bill Shorten told 3AW radio: "I think a royal commission would have to look at vertical integration." *The Australian Financial Review*.

Rather than facing a "death spiral", the electricity grid is set to become the backbone of the "internet of energy," with the help of batteries – as long as policymakers get on board.

The concept that the electricity network is set to become an expensive white elephant with everyone self-sufficient in producing and storing their own power has disappeared.

In its place is the conviction that the rise of batteries will help place the transmission and distribution system as front and centre of tomorrow's electricity supply system, connecting consumers in a smart network of generation and storage devices and allowing them to trade with one another, and control household appliances remotely.

"By 2030, the grid has become necessarily a much smarter place, it's become more like the internet," said Simon Hackett, chairman of battery developer Redflow Energy, at an energy storage conference in Sydney on Wednesday.

"It's gone from dumb to smart, it's internet smart – internally resilient. What you get in an economic sense is a marketplace."

Storage systems could be seen as a threat to the grid and a contributor to the "death spiral" but instead they will have the opposite effect, according to Sunverge Energy's Australian and New Zealand general manager Philip Keogan.

"At Sunverge we are big believers in the grid, and we see huge relevance in the emerging transactive energy market," Mr Keogan said. "We consider the grid to be the internet of energy."

The Australian Financial Review

The economic cost of the failure of the Basslink power cable is more than \$560 million and rising, but the remedy to avoid a repetition doesn't lie in an expensive second cable, according to consultancy EnergyQuest.

The breakdown of the cable on December 20 cut the only high-voltage electricity transmission connection between the mainland and Tasmania, sending wholesale power prices up by more than fourfold in the March quarter to \$177 per megawatt-hour.

But BHP Billiton and Exxon Mobil could be winners after pumping the most gas in at least a decade from their Longford, Victoria, plant - partly to fuel gas turbines in Tasmania, according to an EnergyQuest report.

Tasmanian economist and Hydro Tasmania director Saul Eslake said he thought Dr Bethune's estimate was "at the outer boundary" of plausible estimates because the extra





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electricity cost to consumers would have meant extra revenue for the supplier, with no net loss to Tasmania. The Tasmanian government has budgeted for a \$126 million cut in receipts from Hydro.

The breakdown of the underwater cable, which is forecast to come back into operation later this month, has prompted a study into a potential duplicate cable, Basslink 2, which would cost an estimated \$1 billion.

But EnergyQuest chief executive Graeme Bethune suggested other options may prove more cost-effective, such as keeping the Tamar Valley gas-powered generator on standby, an option also suggested by some industrial gas users in the state. *The Australian Financial Review*

Fields in Flux. Bass Strait's oil fields are likely to be sold off as a global shake up of energy assets gathers pace. *The Herald Sun*.

Chinese-controlled infrastructure company Jemena says an \$800 million pipeline it is building to connect the Northern Territory gas market with the east coast is part of a much bigger plan, with Gladstone's three LNG plants set to drive more demand than many were expecting and likely to struggle to source reasonably priced gas.

The potential extra demand from Gladstone's Curtis Island, where \$70 billion of LNG construction is tripling east coast demand, was illustrated by Origin Energy, which last week told investors there was the opportunity for east coast LNG plants to run at 10 per cent above nameplate capacity.

That 10 per cent is the equivalent of more than 330 terajoules of gas a day, or more than triple the initial capacity of Jemena's planned Northern Gas Pipeline from Tenant Creek to Mt Isa. *The Australian*.

The onset of winter rain in Tasmania has boosted dam storage levels sufficiently to enable the resumption of full production at constrained aluminium and minerals processing plants.

Rio Tinto's Bell Bay aluminium smelter is to resume full production by the end of June – a month earlier than expected – and TEMCO, the magnesium alloy plant owned by BHP Billiton spin-out South 32, within a month.

Both companies had curtailed production due to power shortages following a dry 2015. Concerns over blackouts were exacerbated by the loss of the undersea power connection between Tasmania and the mainland, Basslink.

Following extensive delays, this link is now expected to be back in operation by mid-June, with the repair vessel, the *Il De Re*, leaving port in Geelong last week to undertake what is hoped to be the final repairs. *The Age*.

WHAT HAPPENED ON 2 JULY

Rick Brown, Director CPI Strategic, public affairs and public policy and also a political follower in the detail has written this item. Thanks Rick.

When the sentiment to vote with the Greens to introduce new voting laws for the Senate and to force a double dissolution gained momentum inside the Liberal Party, at least a few Coalition operatives who considered the pros and cons of this move reached a similar conclusion.

The Coalition would win the elections with a reduced majority. Assuming the Liberals won the seat represented by Clive Palmer, the most optimistic assessment was a loss of six seats and the most pessimistic was a loss of ten seats.

Malcolm Turnbull's elevation to the leadership was not meeting the euphoric expectations generated by his success. His popularity, which always seemed inflated, was plummeting.

The Government appeared not to have a clue about what it wanted to do. Proposals to increase the GST, overhaul superannuation rules and force the states to raise income taxes rose and fell in short order.

To a dispassionate observer, the best reason for supporting a double dissolution was not those being advanced, but the need for the Coalition to go to the polls as soon as possible without being blatant about it. The longer they left it the more likely it appeared that their support would continue to decline.

A few months has passed since then, but it appears that not much water may have passed under the bridge. A number of pundits expect the Coalition to win with the loss of about six seats.

Mr. Turnbull's popularity has continued to erode and it appears that, notwithstanding claims to the contrary when he was elected leader, his name has not been a vote winner. Indeed the

belief of those who thought he would not win votes in the outer suburbs of Melbourne, Sydney and Brisbane has been reinforced.

Meanwhile Bill Shorten, whose has become less unpopular, has campaigned well — even if nobody is taking any notice.

The long election campaign which is the result of the double dissolution only has reinforced the lack of difference between the major parties and voters' indifference and belief that neither of them stands for anything. It is obvious that the campaigns of both are driven by last night's focus group and opinion poll rather than an intuitive understanding of the concerns and priorities of mainstream Australia.

The difference in opinion between Coalition backbenchers and campaign headquarters over the level of concern among voters about the Coalition's retrospective superannuation proposals is an example.

Consequently, it is not surprising that voters have been more disinterested than usual in these elections and that a defining issue has not emerged nationally. Nor is it surprising that, in the vacuum, different issues are emerging in different states as the defining issue.

In Victoria, for example, the Coalition is pinning its hopes on a dispute between the Premier Daniel Andrews and the volunteers in the Country Fire Authority to make a difference.

In fact the Liberals' greatest pre-occupation seems to be retaining the seat of Murray, which is based on Shepparton, following the retirement of Sharmar Stone who won the seat from the Nationals. The Nationals are mounting a serious challenge to re-gain the seat and its

In South Australia the question is the extent to which Nick Xenophon has been able to capitalize on voter disillusionment with the major parties and whether his candidates can win seats in the House of Representatives as well as the Senate.

In these circumstances one can speculate about whether the decision of British voters to leave the European Union will have an impact on the elections. The view of British voters that the middle class have been the biggest losers from the economic theories promoted by the self-appointed elites in western countries since the disappearance of the Berlin Wall is not unique to them.

If nothing else, the publicity surrounding the decision may have delayed for a couple of days

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voters' focusing on the elections at the beginning of the last week of the campaign.

Any chance Labor had of making headway in the last week of the election campaign may have been reduced with the response of Bill Shorten to the Brexit decision — a decision supported by a large number, if not a majority, of Labour voters.

Mr. Shorten's take from this decision was not that Australian voters should follow the lead of British voters and give thumbs down to Malcolm Turnbull who is out of touch with mainstream Australia — a position which would be consistent with the thrust of Labor's campaign.

Rather it was that the peasants should not be trusted to vote on whether gay marriage should be permitted. Gay marriage may be on the top of the pile for inner suburban elites but those living in the outer suburbs and the regions do not have such a luxury. Nor do they take kindly to the inference that enabling them to vote was a mistake.

If the Coalition were to lose ten seats, it could be embarrassing for the Coalition. A joint seating of the House of Representatives and the Senate might not pass the legislation which the Coalition said was so important that they had to impose these elections on us.

However the fact that we have heard barely a word about these issues during the election campaign suggests that they would not lose sleep over that outcome despite the noise and thunder they made in the lead up to the elections.

What the election results are likely to demonstrate is that the Coalition's huffing and puffing over changing the Senate is voting system has been a case of froth over substance.

The main cause of Senate obstinacy which confronted Tony Abbott and the Coalition in 2014 and 2015 was not a number of disparate independents. Rather it was a party with a block of votes capable of giving effect to the disdain of its leader — Clive Palmer — for the notion that governments of the day are entitled to pass their budgets.

While the new Senate voting system might strengthen the influence of the Greens and Nick Xenophon, who supported the changes, they will not necessarily prevent the emergence of another Clive Palmer in the future.

There were solutions, other than that promoted by the Greens, to the abuse by a number of micro parties of the democratic process by reducing votes to a transactionable commodity.

What changing the Senate voting rules will not do is to reduce the proportion of the electorate,

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about 25 per cent, sufficiently alienated by the major parties not to vote for them in the Senate. Consequently neither of the major parties is likely to have a majority in the Senate. All that is likely to change is some of the faces.

Regardless of the election results, the challenge facing both the major parties will be the same:

- get beyond rhetoric and clichés and define what they stand for other than being competent economic managers, and
- demonstrate that they are in touch with and understand the aspirations, concerns and priorities of mainstream Australia.

Responding to this challenge will be critical for the government as it seeks to develop a response, which has community support, to the long-term reduction in revenue as a consequence of the end of the mining boom. Striking the balance between reducing spending and increasing revenue is demanding, especially when it is not only politicians who cannot think beyond three or four-year cycles.

A risk is that, in responding to this challenge, the government will exacerbate the feeling of the middle class that they been on the receiving end in an era in which increase in wealth has occurred largely through the ownership of assets — shares and property, facilitating the ownership of shares and property and assisting in the minimization of tax payable on the profits made through the acquisition of property and shares.

To date, this feeling has not been as pervasive and intense in Australia as it is in Europe and the USA. One reason for this difference may be that the gulf between those who have prospered and those who have not over the latest decade is not as great in Australia because of family support measures introduced by John Howard.

These measures have been of greatest benefit to the middle 60 per cent of income earners.

However it is measures such as these which are branded middle class welfare and which are being wound back.

If the Coalition retains government but loses a few seats, as seems the most likely outcome, the greatest impact of the election results could be within Coalition ranks. It could strengthen the relative position of the Nationals, especially if they win Murray, and increase the resolve of a number of Liberals not to take any risks on social, moral and cultural issues.

On the Labor side, if they lose the elections, the immediate issue will be the future of Bill Shorten, assuming he wants to keep his job. Presumably his ability to do so would depend upon the number of seats Labor wins given that he did not have the support of the majority of rank-and-file party members when he won the leadership. Winning a handful of seats may not be enough.

As for the Greens they will be just as focused on the results in inner suburban seats in Melbourne and Sydney on Saturday night as they will on the outcomes of the Senate elections. The result of both the Liberals' and Labor's pandering to inner suburban voters over recent years is that the Greens' influence in these seats has increased as they have played the Liberals and Labor off against each other.

In Victoria, for example, within another two or three election cycles, the Greens could represent three seats — Melbourne which they hold already, Wills and Batman (currently held by Labor) and be a significant threat to the Liberals in Higgins and Kooyong.

Had the Liberals and Labor adopted the same approach to the Greens as they did to Pauline Hanson (a number of whose policies were similar to the Greens) years ago, they would not be confronting the situation they now face.

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