

LETTER FROM CANBERRA

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



06 MAY TO 09 JUNE 2009 Issue No. 14: Winter Edition

Letter From Canberra is a sister publication of *Letter From Melbourne*, which was established 15 years ago

INSIDE

Deputy PM Gillard gives
clear union message

No recession,
technically

New ministers

Employee share
scheme implications

Government message is
productivity, infrastructure,
jobs

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WELCOME

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

We have been publishing *Letter from Canberra's* sister publication *Letter From Melbourne*, a public policy digest, for 15 years. Commencing with the Kennett era corporatisation and privatisation of energy and other utilities and the other fresh broom approach of a new government, where we focused on business opportunities. Increasingly, we included matters in the other states and adopted a more federal focus.

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

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

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

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EDITORIAL

Gosh. Each month we change the index of *Letter from Canberra* according to the importance/media coverage of the issue. After last month, we were about to despatch INDUSTRIAL RELATIONS to the bottom part of the list. Then, the unions started their campaign for changes to the new workplace legislation. Then Julia Gillard, from Labor's heartland, employment minister and deputy Prime Minister gives the annual ACTU conference a king hit. Wham! Times have changed for the unions and their relationship with a Labor Government. Almost enough to put Industrial Relations to the bottom of the index for next month.

Moving on and apart from that, a very interesting and important month in national politics and government. Lots of important business oriented policy and decisions. Then we had a minister down and very quickly a renovated ministry. Good news for *Letter from Canberra* which has just started to prepare our new Federal Government Departmental Wall Chart, ninth edition, approximately 780 names.



ABOUT THE EDITOR ALISTAIR URQUHART

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

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

His public affairs firm works with many engineering and information technology firms, other professional association and industry groups, on a wide range of issues, in Victoria, Canberra and overseas.

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

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INDUSTRIAL RELATIONS

The war's on

Letter from Canberra had been about to put industrial relations at the bottom of our index for a few months, but unions are targeting mining companies, banks and other big users of **John Howard's** Work Choices as the ACTU seeks to use Labor's new workplace laws to impose collective bargaining on employers and increase union membership and influence across workplaces. Less than 24 hours after Telstra backflipped and resumed talks with unions, another major user of individual contracts, the Commonwealth Bank revealed it had started talking to unions about striking a new collective union agreement, the first since 2002. The resources, finance and hotels sectors will be a focus of the union movement campaign to phase out individual employment contracts in favour of union collective rights once new bargaining rules become compulsory on July 1, *The Australian* reported.

Turning on their own

The Australian reported that an ACTU report has found Labor's workplaces relations changes breach international law in a range of areas, contradicting the public stand taken by the peak union body's president **Sharan Burrow**. Burrow said in February that the workplace changes 'on balance' met with Australia's international obligations. However, the report found the Fair Work Act replicated provisions of **John Howard's** Work Choices that breached international law, and introduced new provisions that were unlikely to comply with Australia's international obligations.

Unions will challenge the Rudd Government to lift restrictions on pattern bargaining and strikes while urging federal support for a national charter of union rights that would force companies to pay employees when they are conducting union activities. In a sweeping workplace agenda to be considered at the National ACTU Congress, unions will call on Labor to embrace a second term workplace blueprint that removes obstacles to industry-wide bargaining, repeals penalties for industrial action and bans restrictions on the content of workplace agreements, *The Australian* reported. Workplace Relations Minister **Julia Gillard** has said NO.

Off with their balaclavas

Gillard's rebuff illustrates a shift in perspective in that the unions with the Rudd Government are now more of a lobby or interest group rather than a partner (with)in government. She also stimulated verbal feedback at the conference when she said unions should not act like thugs with balaclavas (which is what the employers did at the docks dispute ten years ago!).

Treat them differently

Julia Gillard bowed to pressure from restaurant and café owners, creating a separate award rate for the hospitality industry, sparing them from paying large wage rises to staff. The Workplace Relations Minister directed the Australian Industrial Relations

Commission to treat restaurants, cafes and catering businesses separately from hotels as part of its overhaul of the nations industrial awards, *The Australian* reported.

Earn or learn

At the Community Jobs Summit held at Fitzroy Town Hall, Melbourne, hosted by the **Brotherhood of St Laurence** and a host of other welfare organisations, Prime Minister **Kevin Rudd** said he wanted 20 ideas from 20 people in 20 minutes on how best Australia should fight rising unemployment and even create jobs while the world economy recedes. The jobs summit turned out to be Day 1 of Rudd's selling of his 'earn and learn' compact with Australian youth. The compact will guarantee training places for unemployed youth. In return, however, young Australians will be obliged to take up training in order to receive the youth allowance. **Lindsay Fox** told the meeting that the responsibilities of keeping Australia's youth in employment lay with community leaders and local businesses. In the early 90s, he and **Bill Kelty** famously travelled the length and breadth of the country urging employers to find room for another young employee, or youth apprentice or trainee, *The Age* reported.

Integrity can cost

Taxpayers are paying \$5 million a year for union elections. That's how much is spent by the Australian Electoral Commission, which runs trade union ballots. The AEC has covered 100 per cent of election costs since 1949. The 2007-08 union elections cost the AEC \$4.8 million. The budgeted cost for 2008-09 is \$5.1 million. ACTU president **Sharan Burrow** could not have said it better: the unions aren't the only ones benefiting.

THE BUDGET

Not a pruner

Kevin Rudd has threatened an early election if the Opposition refuses to support his 2009-10 budget through the Senate, warning he would not tolerate 'cherry picking' and would preserve its financial integrity, *The Australian* reported.

Important leaks

Maternity leave was announced on Mother's Day, three days before the budget. To be introduced in 2011, the program will provide 10 weeks leave at the minimum wage from primary carers, \$544 a week, in line with the Productivity Commission report. *The Age* reported that the plan to provide 18 weeks paid parental leave to more than 100,000 women annually would come in a diminished form. Key measures proposed by the Productivity Commission will be either cutback or left out completely in a bid to save nearly \$200m a year. Primary carers who earn more than \$150,000 a year will be ineligible. The introduction of paid maternity leave, when it takes effect, will see Australia finally catch up with the bulk of the developed world. Australia and the US are the only two Organisation for Economic Co-operation and Development countries not to have a government-backed scheme.

Health insurance

The taxpayer-funded 30 per cent private health insurance rebate was removed in the budget. However, while the first round of tax cuts will take effect from July 1, the health insurance rebate will not be scaled back until July 2010. The Prime Minister will honour promises of tax relief of almost \$60 a week for high-income earners over the next two years. The Government will also lift penalties for well-off taxpayers who refuse to buy private insurance – boosting their Medicare levy surcharges by up to 50 per cent, *The Australian* reported.

Pensions

Aged care home operators and state governments will be prevented from skimming the \$30 a week pension increase, with the budget snapping the nexus between the pension and the percentage taken by aged care homes and public housing.

Some figures

Twenty-two billion dollars will be spent on **infrastructure**, including money for rail in Melbourne (see below), \$3.4b for national roads and \$389m for ports. The first home-buyers grant has been extended for six months. Clean energy will receive \$3.5b in investment; \$5.3b is going into tertiary education, research and innovation; \$2.5b will go to hospital health and workforce reform; and \$3.2b will go to hospital infrastructure, medical research and cancer funding. The investment program is billed as the biggest since the Snowy Mountains Scheme (then £850m).

The Government has favoured **jobs** over a deficit in a budget that it says will create over 200,000 jobs. Nevertheless, the unemployment rate is predicted to peak at 8.5 per cent in 2010-11, with almost a million people out of work. The deficit created by the budget this year is predicted to be \$57.6b, with it possibly exceeding \$300b in four years' time. Some commentators noticed that Labor politicians were refusing to say the 'b' word when quizzed about the future deficit. Could it be that the polities were looking ahead to the future election and trying to prevent the deficit figures being taken out of context in Liberal advertisements?

Perfect resolution

Prime Minister **Kevin Rudd** has revealed that Commonwealth net debt is forecast to be \$75 billion in 2020.

Enough!

Kevin Rudd has been accused of inventing his claim that government debt will be paid off by 2022 and of deliberately misleading Parliament over economic assumptions in the budget papers.

Chill out

An open letter from 21 leading economists, including former Reserve Bank governor **Bernie Fraser** and ANZ economic chief **Saul Eslake**, claims the coalition's campaign against government debt lacks mainstream support.

Employee share tax scheme

Australia's major operators of employee share schemes reacted positively to news that the Rudd Government may review the taxation of schemes

flagged in the budget. Assistant Treasurer **Chris Bowen** said the Government would take on board concerns raised about the changes, while saying the Government supported such schemes, *The Australian* reported. Treasurer **Wayne Swan** has admitted the Government made mistakes in the budget decision to crack down on employee share schemes.

Workers could get a maximum seven-year tax break under a compromise being examined by the Government for its revised employee share ownership arrangements. The budget's new \$60,000 income cut-off for access to the \$1000 tax exemption is also expected to be raised. The budget imposed a tax on the shares when they are acquired, replacing the previous tax holiday of 10 years or until the shares were sold, *The Age* reported.

The Australian Tax Office has been making more money out of most employee share schemes than if those employees had bought shares on the open market, according to paper published by Sydney think tank, Per Capita.

Calculations

While the Treasurer will deliver tax cuts and generous pension increases as promised, he will meet long-term costs by carving \$1b from family tax benefits, trimming middle-class welfare and gradually lifting the age pension eligibility age to 67 years to keep more people in the workforce and paying tax, *The Australian* reported.

On the opinion pages of the same paper, editor-at-large **Paul Kelly** wrote that this budget is a portrait of an optimist in the middle of a nightmare. The world faces its worst economic contraction since the Great Depression but **Wayne Swan** is the convinced optimist who has produced a budget for optimists.

Pension age up

Workers will be forced to delay retirement until they turn 67, instead of 65, under a plan to make the aged pension system financially sustainable and avert a 'demographic time bomb'. Faced with an ageing population and a massive increase in pension payments, **Wayne Swan** said the Government would begin increasing the aged-pension age from 65 in 2017 to 67 by 2023.

A day after flagging a rise in the pension age to 67, the Government confirmed it would look at introducing the same age limit for super access, in effect making 67 the universal minimum retirement age. This was recommended by Treasury Secretary **Ken Henry** in a review published with the federal budget papers. Dr Henry's plan, through phased lifting of the super age from 60 to 67 by 2023, is part of a broad push to keep Australians at work longer to help the nation cope financially with its ageing population, *The Age* reported.

Meanwhile, the reduction to the superannuation co-contribution scheme and plan to increase the retirement age has hurt Australians already struggling to come to terms with dropping super returns resulting from the global financial crisis, *The Australian* reported.

A challenge

Left-wing trade unions have demanded that **Kevin Rudd** drop his plan to lift the pension eligibility age from 65 to 67 or face a showdown over the issue on the floor of the Labor Party National Conference in July.

Easy on the mind

Kevin Rudd ruled out raising the age at which people can access superannuation, despite the proposed increase in the pension eligibility age. The Prime Minister effectively pre-empted consideration of a recommendation from the Government's own tax inquiry, which said the two should be aligned, *The Age* reported.

Not much

The budget continued drought assistance, providing \$715m in ongoing drought assistance support measures. Elsewhere, the farming/agriculture lobby are very disappointed in the deep cuts in 'farming' research.

Magnificent Melbourne

Two major Melbourne rail developments worth more than \$7b were approved in the Federal Government's budget. The \$3.5b East-West metropolitan rail tunnel – a large public transport project designed to relieve pressure on the city loop – will be part of the package. The budget set out a queue or 'pipeline' of national capital works projects, some of which will not be underway until after the economy recovers. Further up the queue is Victoria's \$3.8b regional rail express line, a development that will provide new transport capacity through the growth centres in Melbourne's west, *The Age* reported. This rail link between West Werribee and Southern Cross Station received \$3.2b.

Super funneling

The Australian reported that the Government's advisory group, **Infrastructure Australia**, has turned its post-budget focus to developing investment pathways to funnel super funds into infrastructure. It is understood Infrastructure Australia will submit a set of recommendations to the government, including various models of investment incentives to super funds.

new federalism

The *Financial Review* reported that the Government should fund a multibillion-dollar overhaul of state taxes by increasing broad-based taxes such as income-tax or the GST, a report for the Business Coalition for Tax Reform, which represents 14 business lobby groups, suggests.

Costello's word

The Australian reported that **Peter Costello** has accused **Wayne Swan** of political desperation, rejecting his claim that the Howard government loaded the federal budget with unsustainable spending. Costello defended his record in government, saying he had paid of \$100 billion of Labor debt from the Keating government only to see Swan plan to re-borrow it twice over, creating debts that would take 20 years to repay. The Liberals in general say they would have handled the economy better, even as the global financial crisis occurred.

Hypocrisy resolution

Liberal leader **Malcolm Turnbull** used his budget reply speech to announce that the Coalition would oppose the measure to means test the private health insurance rebate, saying the Rudd Government had broken its election promise not to tamper with the rebate. Means testing of the rebate is designed to deliver \$1.9 billion in savings to the public purse. The Coalition can block the means test with support from crossbench senators, some of whom have expressed concern about the matter. To head off criticism of his strategy, Turnbull put up an alternative savings plan — a 12.5 per cent increase in tobacco excise that would add about 60 cents to the price of a packet of cigarettes and raise around \$2.8 billion. He also used the speech to unveil new policy ideas, including the appointment of an independent Commission for Sustainable Finances to monitor Commonwealth spending, and a Parliamentary Budget Office, modelled on a comparable agency in the United States. He promised tax refunds to small businesses, reforms to insolvency laws to help small businesses get back on its feet, red tape reform, and support for employers to take on apprentices. He also resumed the attack on the predicted \$58 billion budget deficit saying the borrowing by the Rudd Government guaranteed to deliver higher interest rates and higher taxes in the future, *The Age* reported. An accusation of hypocrisy could be levelled at the Coalition for opposing the alcopops tax but suggesting an increase on cigarettes. Mind you, the Coalition has now not ruled out supporting the alcopops tax.

Naturally

The budget is set for a drawn out brawl in the upper house as key senators refused to accept its economic assurances at face value, accusing the Rudd Government of playing 'cat and mouse games' with its fiscal policies. Family First Senator **Steve Fielding** warned that he would not accept the Government's plans to cut benefits to those earning more than \$150,000, while the Greens and Independent Senator **Nick Xenophon** rejected the delayed start to a renewed maternity leave scheme, the *Financial Review* reported.

Meanwhile

The budget papers confirm the extent to which the sharp contraction in corporate profits has affected government revenue, with company taxes in 2009–10 now expected to be \$54.9 billion, more than \$10 billion less than in 2007–08, *The Age* reported.

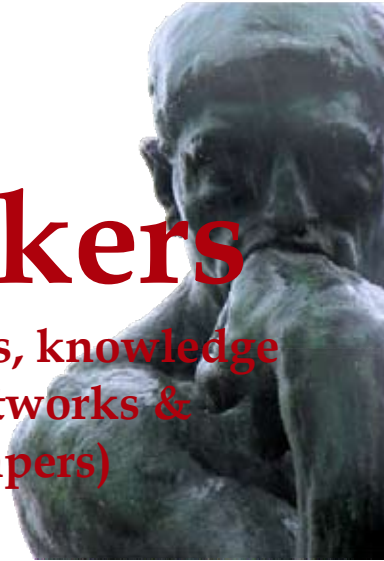
IMMIGRATION

Rising people levels

Immigration has risen to record levels, even with the country in recession. Figures show that in the year to March, permanent and long-term arrivals outnumbered departures by 337,000. The Bureau of Statistics says that in the March quarter alone, people entering the country who said they would stay for at least a year outnumbered residents leaving for at least a year by 128,000 – about 10,000 a week, *The Age* reported.

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Coming-of-age

A boat, carrying 50 people, was taking on water when it was detected 370 nautical miles off Broome. It is the 18th unauthorised vessel intercepted since last August (and 10th for the year), bringing the number of asylum seekers to 604 in the past 10 months, the *Herald Sun* reported.

Unicef Australia's chief executive **Carolyn Hardy** has said that the emotionally charged asylum seeker debate belies the fact that just 4 per cent of asylum seekers come to Australia by boat. She adds that the refugee threat to Australia is relatively low, with the country not ranking in the top 10 destinations listed by the United Nations High Commissioner for Refugees, the *Financial Review* reported.

The detail

The Government announced a \$400m package in the budget to combat people smuggling. The Government plans an aggressive strategy to extradite the leaders of human trafficking networks for prosecution in Australia, *The Age* reported.

Who dunnit

The Australian reported that there was a deliberate attempt to set suspected Illegal Entry Vessel 36 alight off Ashmore Reef on April 16, but speculation has been raised as to whether it was an Indonesian crew member, rather than Afghan asylum seekers, who wanted to scuttle the boat. Meanwhile, at least two of the nine Australian defence Force personnel who were on the vessel when it blew up have had breakdowns and will not return to service.

The first

Iranian-Iraqi citizen **Hadi Amhadi** was extradited to Australia, the first alleged human trafficker to be extradited, by Indonesian authorities, a sign of the co-operation between the two nations.

Undesirables

The database used by immigration authorities to detect criminals, terrorists and other undesirables entering Australia has been criticised as outdated and inaccurate. A report by the National Audit Office has found serious problems with the Immigration Department's Movement Alert List. The database is aimed at protecting Australia from dangerous people, *The Australian* reported.

CLIMATE CHANGE, ENVIRONMENT, ENERGY

Changing political environment

Kevin Rudd announced changes to the emissions trading scheme and a delay in its start by a year to July 2011 — after the next federal election. He gave some ground to the environmental movement, pledging a cut of 25 per cent of emissions on 2000 levels by 2020 — but only in the unlikely event that the Copenhagen Climate Conference in December endorses an ambitious global deal. Confronted with his statement last December that 'to delay any longer would be reckless and irresponsible to our economy and for our environment', Rudd said that what had changed since then was that the global financial crisis had become the worst recession in three-quarters of a century. The Greens attacked

the package, saying that to win their support, the Government must agree to an emissions cut of at least 25 per cent regardless of what other countries do, *The Age* reported.

Garnering support

Professor **Ross Garnaut** said the extended target range would put Australia on the front foot in international climate talks.

Cyclical cynicism

In the *Herald Sun*, **Terry McCrann** described the move to postpone the emissions trading scheme until after the next election as very cynical.

Ambit claims

The Australian reported that there has been an acrimonious start to negotiations between the industry and Parliamentary Secretary for Climate Change **Greg Combet**. The **Australian Coal Association** and executives from the biggest coalmining companies presented Combet with an **ACIL Tasman** survey predicting the Government's current arrangements for the industry would, over the first 10 years of emissions trading, would force 16 coal mines in New South Wales and Queensland to shut prematurely, costing almost 10,000 jobs. The survey said that by 2015, 7,600 jobs would be lost. However, Combet said after the meeting that 'as a former (coal) union official I recognise an ambit claim when I see one and this is definitely an ambit claim'.

Biochar negotiations

Speaking to the Asia-Pacific biochar conference on the Gold Coast, **Malcolm Turnbull** has confirmed that incentives to encourage the use of biochar in the fight against climate change will be central to his negotiations with the Government over its emissions trading scheme.

Maverick leader, maverick party

Leader of the Nationals in the Senate **Barnaby Joyce** flagged a more independent approach from the party's Coalition partner in the Senate, reserving the right to split from the Liberals on key issues such as the emissions trading scheme. The Nationals' move to try to win back support from farmers and small business by differentiating themselves from the Liberals will disrupt **Malcolm Turnbull's** efforts to steer the Coalition back into government. Senator Joyce categorically ruled out voting in favour of Labor's emissions trading scheme in its current form, even if the Liberal party decided to support it, *The Australian* reported.

Delays

The fate of Australia's emissions trading scheme will not be decided until October because the Coalition has refused to negotiate its passage through the Senate before international climate change action is clearer.

Rejections

The Government has rejected the Coalition's demand for a delay in the emissions trading legislation, dooming it to an almost certain defeat.

No handouts

Louise Hand was appointed ambassador for climate change in February. She travelled to the Major Economies Forum in Europe with Climate Change Minister Penny Wong in late May, as Australia's chief climate change negotiator and says claims by developing countries, also known as the G77, for economic assistance to help offset carbon emissions were unrealistic because of the global financial crisis, *The Age* reported.

At least we're acting

Danish Energy and Climate Minister **Connie Hedegaard** said the 12-month delay in the Australian scheme's implementation did not matter to the international community. 'Whether the trading scheme will start six months sooner or later, that is not the most important thing. It is very important that Australia has said, 'we are going to have a trading scheme', she said.

Letter from Melbourne/Canberra attended a Committee for Economic Development Australia presentation by the Danish Climate Change Minister in Melbourne. She is reported to be a very clear speaker. Denmark being a smaller country, it is easy to see how it changed its economy following the oil crisis in 1973 just as the *LfM/C* editor was joining the coal-exporting business.

Models too thin in changing times

The Bureau of Meteorology's acting chief climatologist **Michael Coughlan** said that as the climate changed, so did the margin of error when using traditional statistical modelling. He said while Australia had 100 years of statistical data to call on from long-term forecasts, changes in climate over the past two decades had affected the accuracy of forecasts covering periods from one to several months in advance. The accuracy of the bureau's climate forecasting could fall unless it is given more funding for supercomputers. The bureau has warned that its long-term climate forecast capability may have peaked and could even have started to decline, *The Age* reported.

Their mantra

The **Business Council of Australia**, representing the nation's 100 biggest corporations, once again reiterated that bipartisan support for the emissions trading scheme was vital given the complexity of the scheme and the need for long-term certainty.

Big tick

The Age reported that an internal report by the National Australia Bank believes the Rudd Government's emissions trading scheme could trigger an investment surge worth more than \$6 billion a year. The report suggests the emissions trading debate has focused on short-term costs and ignored new investment opportunities. The average year-on-year investment created by the carbon pollution reduction scheme could be up to 60 per cent greater than that committed to infrastructure in this year's budget, the report says.

Renewable energy projects under construction or planned in response to the proposed emissions trading scheme will create 20,000 jobs, according to new research published as the Coalition seeks

to defer the scheme on the basis that it could be a 'jobs killer'. Research commissioned by **The Climate Institute** shows \$31 billion worth of clean energy projects already in the pipeline, many in regional areas, will generate 2,500 permanent jobs, 15,000 construction jobs and 8,600 associated positions, *The Australian* reported.

Hooked

Mitch Hooke, chief executive of the Minerals Council of Australia, wrote on the opinion pages of *The Australian* that the mineral sector would suffer a body blow under the Rudd Government's proposed carbon pollution reduction scheme.

Ascending the peaks

Industry compensation proposed under the US's emissions trading scheme would be much less generous than the Rudd Government is offering, contrary to the Coalition's claims, according to peak business lobbying group, The Australian Industry Greenhouse Network. It conducts detailed lobbying on emissions trading from major mining, manufacturing, energy and forestry companies, and says that while it thinks the Rudd Government's proposed compensation is inadequate, the US proposals would be worse, *The Australian* reported.

Stern, Sachs, Stiglitz

Papua New Guinea is set to recruit some of the world's most respected economists to an advisory panel on global warming, including **Sir Nicholas Stern**, **Jeffrey Sachs** and **Joseph Stiglitz**. It is seen as significant for Australia because they are a sign that PNG is looking at an international agreement that will sell forestry carbon credits to high-emitting Western nations, such as Australia, to offset their emissions, *The Age* reported.

Let's get creative people

In an edited version of a talk given to the Victorian branch of the **Australian Institute of Energy**, published in *The Age*, **Kenneth Davidson** notes that the only creativity evident in major parties' climate change solutions is in the spin. The political leadership would be doing coal miners and generators a favour by abandoning the ultimate futility of sand bagging their dying industry and instead promoting structural change compatible with a Green world that creatively addresses climate change.

Too complex to care

The Age reported that the Rudd Government has quietly dropped a multi-million-dollar advertising campaign to promote its emissions trading scheme amid criticism that its plan is too complex and will do little to tackle global warming. A taxpayer-funded climate change call centre was also dropped, after receiving an average of just 16 calls a day at a cost of \$52 per call.

Clear view

Bjorn Lomborg, the director of the Denmark-based think tank the **Copenhagen Consensus Centre**, and author of *The Skeptical Environmentalist* and *Cool It: The Skeptical Environmentalists' Guide to Global Warming*, wrote in *The Australian* that rather than making fossil fuels so expensive that nobody will use them, we should make green energy so cheap everyone will use it.

In another article later in the month, he wrote that the Copenhagen conference would be a failure — another empty Kyoto protocol — so let's focus on research.

Landfill free in retrospect

Legislation outlining the emissions trading scheme removed a proposal to charge landfill operators retrospectively for carbon emissions from waste deposited before the scheme was announced. The industry had calculated that including 'legacy emissions' in the scheme would have cost local councils up to \$200 million a year, which would have been passed on to ratepayers or borne by councils. The changes come after negotiations between Parliamentary Secretary for Climate Change **Greg Combet** and industry representatives. Combet said the industry would have been the only one charged for past actions, which 'isn't equal or fair', *The Age* reported.

Efficient agreement

National political leaders have agreed on changes that will require all new housing to be more energy efficient by May 2011. At the same time, vendors and landlords will also need to have an energy efficiency report when selling or renting a home. The report card is expected to include installation building design and be completed by an accredited assessor. Based on a similar scheme already in place in the ACT, the cost of getting a pre-sale or lease report card could be between \$150 and \$250, *The Age* reported.

Shrinkage issues

Regional economies could shrink by more than 20 per cent over the next 40 years under the proposed emissions trading scheme, according to modelling commissioned by the New South Wales Government but never released. The **Frontier Economics** modelling mirrored the federal Treasury's finding that the nationwide economic effect of the scheme would be modest, but found much more severe impacts in some states and regions where emissions-intensive industries were the backbone of the economy, *The Australian* reported. For instance, the impact on coal prices would mean the economies of Gippsland and central west Queensland would contract by more than 20 per cent.

The Bourne Environment

The chief executive of environmental group World Wildlife Fund—Australia, **Greg Bourne**, has called on information and communications technology suppliers to help drive changes to work habits that could reduce corporate greenhouse gas emissions. He said the organisation had set targets to cut its own carbon footprint, and that technology companies needed to work harder to help businesses cope with changing practices, the *Financial Review* reported.

Hesitant enough, without this

The Government's changes to the proposed emissions trading scheme raise questions about the outlook of the New South Wales Government's multi-billion-dollar electricity privatisation. Analysts say significant uncertainty remains about the federal carbon pollution reduction scheme, the *Financial Review* reported.

Santos clause

Santos formally lodged its submission to the government's energy white paper process, arguing that the gradual replacement of Australia's coal-fired power plants by gas-fired facilities could substantially lower Australia's carbon dioxide emissions.

Looking away from the sun

Speaking at the Future Summit 2009 in Melbourne, **Andrew Blakers**, a renewable energy expert at the Australian National University, said Australia was missing out on the solar energy revolution unfolding in other parts of the world. Chairman of Shell Australia **Russell Caplan** said that he did not believe renewable energy would supply all Australia's needs within 50 years, but could be providing close to half, *The Age* reported.

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Money for the frost

An extra \$25 million has been promised to maintain Australia's presence in Antarctica. Funding will sustain station operations and Antarctic science projects.

Ziggy glowing green

Dr Ziggy Switkowski of the Australian Nuclear Science and Technology Organisation appears to be on a speaking tour, speaking at the Royal Society of Victoria and the Australian Institute of International Affairs within a week of each other about the changing perspective with which the modern day world is viewing nuclear energy.

Capitally green

Green Capital, a charitable non-government organisation, is Australia's longest-running corporate social responsibility program. Amongst other work, it runs a quarterly debate series to examine best environmental/social practice in the corporate and government sectors. Its website notes that the emissions trading scheme is fast approaching as a political reality and it has serious ethical ramifications for members of society as food and fuel prices are affected by the cost of power increases, www.greencapital.org.au.

CHINA**Rio review**

Rio Tinto has dropped plans for a \$US19.5b (\$24.3b) tie-up with China's Chinalco and agreed to set up an iron ore joint venture with rival BHP Billiton and sell \$US15.2b worth of new shares to reduce debt. The new plan represents a victory for Rio shareholders who had opposed the deal with Chinalco, arguing it favoured the Chinese state firm and could give China greater influence over pricing of key commodities such as iron ore. Shares in Rio Tinto rose as much as 13 per cent to a seven-month high of \$75.75. They closed at \$72.49, while BHP shares rose 8 per cent to \$38.18. Rio had lined up the deal with Chinalco in February as it needed to pay off half its \$US38b in debt as it struggled with tight credit markets and a commodity price slump and had failed to sell assets to raise cash. But as equity and commodity markets rallied and credit markets eased, options opened up for Rio Tinto, and shareholders stepped up pressure on it to revise the Chinalco deal, *The Age* reported.

CPR required for watchdogs

GPR Asia (the GPR standing for **Gregory Peter Rudd**, the Prime Minister's brother) has opened in China to help Chinese interests do business in Australia and Australian interests do business in China. Greg Rudd, who has been a political lobbyist and staffer but has a background in education, said he had set up the business completely independently of his younger brother, or any government connections, *The Australian* reported. Since this article, former Defence Minister **Joel Fitzgibbon's** brother has been mentioned in dispatches.

A Chinese dessert

China's second largest car manufacturer is keen to link up with its struggling Australian counterparts, a move that may breathe life into the

Rudd Government's \$6 billion restructuring of the motor vehicle industry. The entreaty by Dongfeng Motor Corp, one of China's big three state-owned car makers, follows its rival Cherry in establishing a research centre in Australia, and Australian companies Futuris and Bosch subsidiary PBR using China to manufacture parts, *The Australian* reported.

GOVERNANCE**Reshuffle**

The reshuffle of the ministry following Defence Minister **Joel Fitzgibbon's** resignation (See Defence below for the full story) saw Labor veteran Senator **John Faulkner** take over as Defence Minister and the elevation of **Chris Bowen** into Cabinet as Minister for Human Services and Minister for Financial Services, Superannuation and Corporate Law. **Nick Sherry** leaves his superannuation post to become Assistant Treasurer. Former ACTU secretary **Greg Combet** and former NSW ALP secretary Senator **Mark Arbib** joined the ministry as Defence Personnel, Materiel and Science Minister, and Employment Participation Minister, respectively. Combet will continue his climate change role as Minister Assisting the Minister for Climate Change.

Joe Ludwig became Cabinet Secretary and Special Minister for State, **Brendan O'Connor** becomes Home Affairs Minister in place of **Bob Debus**, who will retire from Parliament at the next election and Sport and Youth Minister **Kate Ellis** added the Early Childhood Education and Childcare portfolios to her brief. **Craig Emerson**, currently Minister for Small Business, Independent Contractors and the Service Economy and Minister Assisting the Finance Minister on Deregulation, will also become Minister for Competition Policy and Consumer Affairs. **Warren Snowdon** becomes Minister for Indigenous Health, Rural and Regional Health and Regional Services Delivery.

Maxine McKew will be Parliamentary Secretary for Infrastructure, Transport, Regional Development and Local Government. **Gary Gray** has been appointed Parliamentary Secretary for Western and Northern Australia.

Three people were newly appointed to roles as Parliamentary Secretaries: **Jason Clare** (Employment), **Mark Butler** (Health) and **Richard Marles** (Industry and Innovation).

Jobs winners and losers

The budget emphasis on saving government jobs will come at a cost to smaller agencies, **Verona Burgess** wrote in the *Financial Review*. The drift towards the recentralisation of back-office functions, purchasing, property management and IT is matched by the increasing power in the central agencies, in particular the Department of the Prime Minister and Cabinet, which gained 65 staff; and Treasury and Finance. The biggest agency losers in 2009–10 in raw numbers will be Immigration, the Australian Taxation Office, Agriculture, Fisheries and Forestry, Medicare, Customs, the Attorney General's Department, Education, CSIRO and infrastructure. The biggest portfolio winner is Defence.

Gloss coming off

In mid-May, an *Age*/Nielsen poll found that **Malcolm Turnbull's** approval rating rose 10 per cent to 32 per cent while **Kevin Rudd's** dropped to 64 per cent. On a two-party preferred basis there was a 10 per cent turnaround, with the Coalition rising 5 per cent to 47 per cent and Labor dropping 5 per cent to 53 per cent.

Regression for the good

There are plans to make Senate committees more efficient and less costly, with a procedure committee — chaired by the Senate Deputy President, Liberal **Alan Ferguson** — deciding to recommend a return to the committee structure that operated successfully between 1994 and 2006, with one or two tweaks. Between 1994 and 2006, each of the eight broad subject areas of the Senate standing committees had two committees: a legislation committee and a references committee. Just what difference a return to the previous committee structure will make in a political contest remains to be seen. What comes out of the Senate committees depends largely on whatever the non-government senators put into them, wrote **Verona Burgess** in the *Financial Review*.

Freeze

Federal politicians' pay has been frozen by the Remuneration Tribunal. The Prime Minister's base salary remains at \$330,356. Federal backbenchers earn \$127,060. But MPs received a recent 17 per cent rise in electorate allowances, to \$32,000, to buy raffle tickets, travel and work in their constituency on practical issues.

Native title revolution

The Age reported that native title claims could be revolutionised, after the government committed to exploring the idea of shifting the burden of proof of connection to land from Aboriginal claimants to states, territories and others. Federal Attorney General **Robert McClelland** said the government is open to considering reversing the burden of proof for some aspects of native title claims after High Court Chief Justice **Robert French** suggested reforms to the system he called 'a kind of statutory fossil bed of the common law'. McClelland admitted the government could do better on a native title system that costs \$120 million a year and was riddled with many cases dating back a decade among its 477 outstanding claims.

Warriors ask: what next?

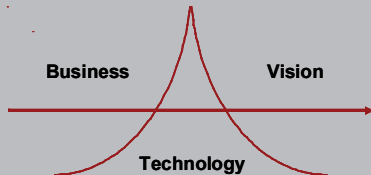
The notorious aboriginal town camps around Alice Springs will be compulsorily acquired by the Rudd Government because of the appalling living conditions and the endemic violence some 2000 residents are forced to endure. They will use the Northern Territory Emergency Intervention Response Act to take over the camps, a decision of last resort, after the umbrella body, the Tangentyere Council, refused to relinquish responsibility for rent collection and house maintenance to the Northern Territory Government, *The Age* reported.

Why Warriors Lay Down and Die, by **Richard Trudgen**, is current reading for the editor of *Letter from Canberra*.

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Warriors being told

Jenny Macklin says she has taken her toughest stand as Indigenous Affairs Minister by telling the Tangentyere Council she will compulsorily acquire the town camps of Alice Springs unless it accepts her \$125 million offer to upgrade them, *The Australian* reported.

Nearby

Welfare recipients could apply to be exempt from income quarantining and approved communities can have blanket bans on alcohol and pornography lifted under changes proposed in the second phase of the Northern Territory intervention, *The Age* reported.

Problems

A move to begin World Heritage listing for Queensland's Cape York Peninsula has opened a rift between traditional owners and the Federal Government, jeopardising **Kevin Rudd's** promise to tackle Aboriginal disadvantage.

Strong view

Former New South Wales Premier **Bob Carr** has urged the public to speak out against moves to introduce a charter of rights or risk letting the vocal minorities get their way. He told a forum a charter of rights was full of 'lofty abstractions of generalisations' and would shift power from elected politicians to judges who were not chosen by the public. A nationwide consultation, announced last December, is headed by Jesuit priest and professor of law **Frank Brennan**, the *Financial Review* reported.

Particular perspective

A Cultural and Religious Freedom Under a Bill of Rights Conference is being held at Old Parliament House, Thursday 13 to Saturday 15 August, to examine the implications for cultural and religious freedom of the Rudd Government's proposed bill or charter of rights from a number of community, cultural and religious perspectives. Participants

include judges, leading academics, community leaders, theologians and other experts in law and religion from Australasia, America, Asia and Europe.

Not happy, Jan

Writing on the opinion pages of *The Australian*, **Janet Albrechsten** wrote that proponents of an Australian Bill of Rights are dishonest about the power it would transfer to judges, and the statutory charter would become a super statute against which all other laws are measured.

Interesting

In the *Financial Review's* regular Government Business section, it was noted that the Department of Prime Minister and Cabinet has five main areas or groups: domestic policy; strategic policy and implementation; governance; national security and international policy; and the new office of the coordinator-general. The department's 2007-08 annual report shows a total of 464 staff.

Uteful

John Grant, a car dealer who has lived in the same Brisbane neighbourhood as **Kevin Rudd** for the past 14 years, lent a one-tonne Mazda ute from his Ipswich Central Motors to Rudd's electorate office in southern Brisbane. He denies he ever sought special treatment in return for the lend in the form of tapping into a taxpayer-funded line of credit for his dealership through the Government's OZ Car program, *The Australian* reported.

Time for tea

A review by former senior bureaucrat **Alan Henderson** found that ministerial advisers and media staff typically work more than 80 hours a week when Parliament is sitting, and only 10 hours a week less at other times of the year. The report, obtained by Seven News, laid the blame in part on modern technology. Prior to the last election, Rudd pledged to cut ministerial staff levels by 30 per cent, *The Age* reported.

ABC views

Michael Lynch, currently chief executive of London arts hub the Southbank Centre, and journalist, publisher and editor of the *Griffith Review* **Julia Schultz** are the first new ABC board members appointed since the Rudd Government promised to depoliticise the appointment process. Ethiopian journalist and multicultural commissioner **Eleni Bereded-Samuel** and former Sydney Opera house trust chairman and founding partner of CHAMP Private Equity **Joseph Skrzynski** will be appointed to the SBS board. All appointments are for five years, *The Age* reported.

Bow to him

(Former) Competition Minister **Chris Bowen** is considering giving the Australian Competition and Consumer Commission the power to block takeovers that would enhance a company's market power, even if competition were not substantially reduced, *The Australian* reported.

Vacancy

One of the most prestigious diplomatic jobs in Australia — foreign policy mandarin in the Prime Minister's Department — has been vacant for

months because no one approached so far is willing to take the post, which involves working closely with **Kevin Rudd**, *The Australian* reported. The vacancy of first assistant secretary in the international division of the Department of Prime Minister and Cabinet has been filled in an acting capacity since the departure of **Hugh Borrowman**.

A man and his hairdryer

Following claims from Coalition frontbencher **John Cobb** that the Prime Minister became agitated when diggers couldn't find a hairdryer for a photo opportunity in Afghanistan, Kevin Rudd has denied he threw a 'wobbly' over a hairdryer, the *Herald Sun* reported.

There we have it

The public will have access to much more government information online, and embarrassment will no longer be an excuse for withholding documents, under an overhaul of freedom of information laws unveiled by the Rudd Government. But ministers will still be able to keep secret data about tax bracket creep and other national economic information if they can show it is in the public interest to do so. In the biggest shake up the FOI regime since the laws were introduced in 1982, the then Special Minister of State John Faulkner (now Defence Minister) announced Cabinet documents would be released after 20 years instead of 30 years and the grounds for refusing access to information would be tightened. Releasing two exposure draft bills, Senator Faulkner said the Rudd Government is committed to transforming the secretive culture of the public service and promoting transparency, *The Australian* reported.

New pilot

As conditions in the industry continue to tighten, the **Civil Aviation Safety Authority's** new director, **John McCormick**, is reviewing all activities and has strengthened the review to ensure that the air safety regulator's resources were being directed towards its key functions. McCormick took over the reins at CASA early in March after a long career with Hong Kong's Cathay Pacific. A veteran pilot with more than 10,000 hours' experience, he began his career in the RAAF in 1974 and became a combat fighter instructor. The Federal Government is finalising its aviation **White Paper**. The authority came under fire in a Senate report last year. The report raised concerns about whether the air safety watchdog was too close to the industry it was supposed to regulate, whether it had adequate governance and whether the pace of regulatory reform was too slow, *The Australian* reported.

Family first in more ways than one

Federal MPs are exploiting a loophole to employ wives and other family members on taxpayer-funded salaries. Even Family First leader **Steve Fielding** is keeping it all in the family, hiring his wife, **Susan Head**, as an adviser, the *Herald Sun* reported. While government ministers can't hire close relatives there are no restrictions on other MPs. But some politicians have had enough and are calling for the practice to stop. The Government has agreed to publish the number of frequent-flier points MPs earn on travel.



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MPs have been offered free counselling to help them with work-related stress, anxiety, depression and family problems, the *Herald Sun* reported.

Say a little prayer for me

Kevin Rudd has revealed he tries to start every day with a reading from a prayer book. But the PM admitted he does not always remember the Christian missive that life is not 'all about me'. Rudd told the Salvation Army's *War Cry* his preferred book of daily devotional songs is *My Utmost for His Greatest*, which features a spiritual truth for every day of the year. He spoke to *War Cry* on the eve of the Red Shield appeal in mid-May, which raised almost \$6.3 million nationally. He said his mother, who died late last year, was a strong Catholic and instilled in him a deep sense of the importance of faith, the *Herald Sun* reported.

Adieu

Pradeep Philip, 39, the Prime Minister's policy director and senior economic adviser, has been with Rudd since shortly after he became opposition leader. A former Federal Treasury officer, Philip worked in the Queensland Premier's Department before working for Rudd. Philip is leaving to take up the position of associate director-general of the Department of Premier and Cabinet in Queensland. His replacement is **Ian Davidoff**, from Treasurer **Wayne Swan's** office, who is Harvard educated and has worked in Treasury and the Victorian Premier's Department, *The Age* reported.

On the other side of the world

Britain's main political parties have ordered their MPs to repay excessive expenses claimed from public funds and have promised to end the worst abuses of the system, *The Age* reported. The Speaker of the House of Commons has resigned. As the saga continued, Prime Minister **Gordon Brown** announced financial affairs of MPs would be taken over by independent regulators. The Commons Fees Office, which approved the expenses claims that have brought the political system into gross disrepute, will be abolished. Brown said Westminster would no longer operate like a gentlemen's club, making its own rules, adding that the moves will change

centuries of history for Parliament, *The Australian* reported. As at June 8, senior British Cabinet (and other) and other minister have resigned.

Democracy triumphs again

The Museum of Australian Democracy in the old Parliament House building opened on May 9. The ecstasy and joy at this for democracy lovers has been counterbalanced by the Australian Electoral Commission being asked in the budget to find saving measures of \$6.1 million over four years including the closure of the Melbourne and Adelaide Electoral Education Centres.

BROADBAND & IT

Adios Telstra chairman Don McGauchie

Donald McGauchie has been replaced as chairman of Telstra by **Catherine Livingstone**, a former chairwoman of the CSIRO, director of investment bank Macquarie Group and chief executive of Cochlear. She has been a director on the Telstra board since 2000. The incoming chief executive is **David Thodey**.

He'll look into it

The tender to build the national broadband network will be scrutinised by the Auditor General. Opposition communications spokesman **Nick Minchin** wrote to Auditor General **Ian McPhee**, raising concerns about the aborted tender for the original network. McPhee replied, writing: 'In light of your correspondence, the Australian National Audit Office will undertake a preliminary review of the request for proposals evaluation process,' *The Australian* report.

And the costs

A telecommunications analyst and the managing director of Market Clarity **Shara Evans** believes it is too early to know what the national fibre-to-the-home network connectivity will cost Australian residents who choose to surf the internet at speeds up to 100 megabits per second. Evans's prediction that broadband subscriptions could cost \$100 a month, more than twice the \$40 that Australian households on average spend on broadband each month at present, caused Communications Minister **Senator Stephen Conroy** to go into damage control.

Upping the ante

The \$43 billion national broadband network may be capable of speeds much faster than 100 megabits per second at launch. When the project was announced on April 7 Labor said the fibre-optic network would provide 90 per cent of the population with speeds of up to 100 megabits per second. **Stephen Conroy** said the question of how much speed was enough would be settled in coming months, *The Australian* reported.

Now's your chance

Telstra will be offered the chance to buy up to 49 per cent of the national broadband network if Telstra agrees to voluntarily hive off its wholesale arm. A plan is being prepared for possible discussion when Communications Minister **Stephen Conroy** meets the company's new leaders, *The Australian* reported.

New unit

The Department of Broadband, Communications and the Digital Economy will create a new infrastructure division to deal with the national broadband network and a host of other changes aimed at using technology to boost economic growth. The department's deputy secretary **Colin Lyons** will head the new unit. More than \$50 million has been earmarked for early work on the NBN, including an implementation study, the *Financial Review* reported. Presently looking for some staff.

ACCCrimonious

Graeme Samuel, the head of the Australian Competition and Consumer Commission, has sparked a row with the Opposition by giving an endorsement of Canberra's plans to build a new national broadband network, *The Age* reported.

God is in the fibres

The *Financial Review* reported that Telstra is in advanced discussions with the Catholic Church to build a virtual private network known as **Catholic Network Australia**, which will initially cover about 1,700 schools across the country, before eventually being extended out to the Catholic community. Details of the project are still being finalised but a five-year managed services contract worth well in excess of \$100 million could be signed as early as next month.

Telstra branching out

Telstra won a new contract, worth up to \$100 million a year, to provide telecommunications to the Commonwealth Bank's branches, contact centres, automatic teller machines and EFTPOS network, taking over the management from Telecom New Zealand subsidiary Gen-i, the *Herald Sun* reported. The *Financial Review* reported that **Centrelink** would renew two Telstra telecommunications services contracts worth a combined \$52 million a year.

Tranches times three

The **Australian Taxation Office** is preparing to award contracts for three tranches of computer and communications services that have a combined value of \$275 million a year. The first will focus on contracts covering mainframe computing and desktop computing. The second contract is for centralised computing which covers a high-end mainframe computer and the third is a managed

services contract, the *Financial Review* reported. EDS has been the main provider of IT systems in this space.

Not Trujillo

Sol Trujillo branded Australia racist in an interview with the BBC, attracting a mixture of bewilderment and return fire from Australia.

The last supper

The Age reported that the last of **Sol Trujillo's** American acolytes at Telstra would follow him out of the company in June. **Tom Lamming**, the man nominally in charge of overseeing the company's huge information technology transformation, will return home to the United States after leaving Telstra on June 30.

It's his custom

The **Australian Customs Border Protection Service** recently appointed as its chief information officer **Joe Attanasio**, who was most recently head of technology risk at ANZ. Customs is the latest major federal agency to detail plans to significantly reduce computing and communications costs in line with the **Gershon Review** of government technology spending. Attanasio said he was keen to introduce enterprise licensing agreements with a small number of key suppliers as a mechanism for driving unnecessary costs out of the organisation and simplifying Customs' IT systems. Customs has undergone a major restructure since winding down a massive outsourcing contract with **EDS** in August 2008 that generated \$746 million in revenue to EDS over a decade, the *Financial Review* reported.

Cutlerying up

An opinion piece in *The Age*, by former senior Victorian public servant **Barry Ferguson**, noted that government must respond to the Cutler Innovation Review team's report, *Venturous Australia*, by doing four things. First, it must accept the recommendation to move the focus of the innovation policy away from high-level research and development activities at the workplace and enterprise level. Secondly, it must be prepared to break new ground in pursuit of its policy goal by designing programs that meet our needs and aim to get them broadly right. Thirdly, it must adopt a risk management approach to its expenditures on programs at the company level. Finally, government should not be unnecessarily weighed down by the limited academic foundations and difficulties of discerning additional uses for technologies.

Reserves

Plans by industry groups for national recycling schemes for computers and televisions will be dashed if regulatory support is not won from the **Environment Protection Heritage Council**. If introduced, recycling schemes would see companies that bring IT consumer electronic products into Australia made responsible for end-of-life equipment as part of a product stewardship agreement with the Commonwealth or individual states. This could see registered companies paying an annual fee to cover the cost of recycling, with smaller, unregistered importers contributing to an orphan fund. Failure to comply would result in

fines and other penalties. The Australian Information Industry Association has been running a voluntary scheme in conjunction with **Sustainability Victoria**. Known as **Byteback**, it enables consumers and small businesses to bring in old computers, printers and other IT equipment. More than 95 per cent of collected material is recycled by the Sims Group, which estimates the carbon emissions are reduced by 5.46 tonnes for every tonne of IT recycling, the *Financial Review* reported.

Yet to embrace

More than half of Australian households are yet to embrace digital television, figures from measurement company **OzTAM** show. According to March data, 43.4 per cent of households across the five major cities can receive the signal through a digital television, or a digital set-top box, the *Herald Sun* reported.

No need

A report by the **Australian Communications and Media Authority** showed 44 per cent of the nation's seniors, Australians over 65, have never used the internet.

Regulate the little 'uns

Unions are demanding urgent regulation of the nanotechnology industry, citing mounting evidence that some tiny particles used in products such as sunscreens and cosmetics could be as harmful as asbestos. The **Australian Council of Trade Unions** is pushing for closer oversight of the rapidly growing industry, which contributes to more than 800 products, including bed sheets, building materials and paints. Little is known about the effect of nanoparticles — which are 100,000 times smaller than the width of a human hair — but one study reveals that one particle shares some characteristics of asbestos fibres and has a similar effect on mice, *The Age* reported.

DEFENCE

I cast thee out

Joel Fitzgibbon reluctantly resigned as Defence Minister after breaches of ministerial and parliamentary standards. The disclosure that his brother, who runs a health insurance firm, had attended a meeting in the minister's office to discuss possible business with the Defence Department was the last straw. It came to light when Major-General **Paul Alexander** was asked at a Senate Estimates Committee, to explain meetings held in the office of the Parliamentary Secretary for Defence, **Warren Snowdon**. Alexander revealed that the meetings had involved Snowdon's staff and the brother of the Defence Minister, **Mark Fitzgibbon**, who runs health insurer NIB and is the chief executive of Humana, a health insurer linked to NIB that was seeking defence contracts, *The Age* reported.

Cover up?

Former Defence Minister **Joel Fitzgibbon** asked the Defence Force chief to thoroughly investigate allegations of a cover-up involving a 2006 internal military inquiry into whether Australian forces had attacked Afghan civilians, *The Age* reported.

Low on reserves

A fall in Army Reserve numbers has cast doubt over Defence White Paper plans to better integrate the part-timers into the army's full-time ranks. Total posted strength of the reserve last June 30 was 15,400, or 71 per cent of its maximum authorised strength. This compared with 10 years before, on June 30, 1998, when there were 21,671 reserve troops enlisted, *The Australian* reported. Meanwhile, the *Herald Sun* reported that just one of six Collins class submarines is fit for service.

In other news, the Defence Department will pay \$330 million this year to keep the navy's ailing Collins Class submarine (note the singular) fit for war, the most expensive single maintenance contract the department has...

Contrary

Launching a scathing 237-page report on the Rudd Government's defence white paper and subsequent \$26.8 billion budget, **Australian Strategic Policy Institute** analyst **Mark Thomson** said it appeared the Government had not been providing full funding details in either document because of the uncertainty surrounding the global financial crisis. The leading defence think tank was critical of the Government for being excessively secretive about the defence white paper and budget spending, but warned that even on incomplete information available there would not be enough money to fund its ambitious 20-year weapons plan, the *Financial Review* reported.

Staunch

Australia's ambassador to China **Geoff Raby** has launched a staunch defence of the Rudd Government's defence white paper in a Beijing newspaper, saying Canberra did not consider China an emerging military threat.

Fare thee well

Australian Federal Police Commissioner **Mick Keelty** retires in September, having, since 2001, steered the organisation through extensive expansion after the September 11 attacks in New York.

Trauma failure

Most of Australia's returned soldiers with trauma-related mental health problems, including Iraq and Afghanistan veterans, get inadequate care. An inquiry has found the Defence and Veterans Affairs departments fail soldiers who have been discharged with mental health problems, and that a review of Australia's post-traumatic stress disorder programs must be established, *The Age* reported.

Dreaming of Davids to join Goliaths

The Defence Department will provide \$15.3 million to assist Australia's small and medium enterprises to compete for international and domestic defence contracts. The scheme will provide trainers and mentors to industry with the aim of helping attract supply chain opportunities with global defence giants, the *Financial Review* reported.

Dockyard destroyer

Up to 300 jobs could be lost at Victoria's Williamstown dockyard after Australia's biggest defence company, the British-controlled BAE Systems, failed to win a share of a \$450 million contract for the navy's

new air warfare destroyers, throwing into doubt the future of naval shipbuilding in Victoria. The Williamstown dockyard, formerly run by Tenix, built the navy's Anzac-class frigates and — together with Adelaide-based NSC — is one of two major warship constructors in Australia. The air warfare destroyer alliance that manages the \$8 billion AWD project awarded the prefabricated block-module contract to two smaller Australian shipbuilders, Newcastle-based FORGACS and Cairns-based NQEA — a decision that shocked BAE Systems and defence industry leaders. BAE Systems global chief **Ian King** discussed the future of Williamstown when he met then Defence Minister **Joel Fitzgibbon**, *The Australian* reported.

Raytheon

The Adelaide-based air warfare destroyer alliance has announced two contracts for shipboard combat systems. The alliance signed a \$40 million contract with **Raytheon Missile Systems** USA for a short-range air defence capability and a \$10 million contract with Adelaide-based **Babcock Strachan and Henshaw Australia** for torpedo launch tubes, the *Financial Review* reported.

What do pigeons, horses and dogs have in common?

Animals will be honoured with their own war memorial at the **Australian War Memorial** in Canberra. A pigeon, horses and dogs are among the animals honoured. **Robyn Siers**, of the Australian War Memorial, has written a book *M is for Mates*, which alphabetically chronicles the roles of non-humans working and being petted at war, the *Herald Sun* reported.

Finessing the detail

The Defence and Industry Conference and Trade exhibition is at the Adelaide Convention Centre South Australia, June 30 to July 2, 2009, www.defenceandindustry.gov.au.

BUSINESS, ECONOMY, TAX

It changes week to week: no technical recession

The Reserve Bank has forecast that the Australian economy will be stuck in recession until the end of this year, before a commodities revival led by China

drives a modest recovery, *The Australian* reported. On Thursday June 4, Australia's National Account figures showed that Australia is not in recession. Treasury Secretary **Ken Henry** has defended economic growth forecasts at the heart of the budget and insists that the government can recover from more than \$220 billion in deficits by cutting future spending to deliver a surplus in seven years' time.

Sshhh

An editorial in *The Australian* argued that Treasury secretary **Ken Henry's** argument exceeds his credibility and that the Treasury secretary is not a minister and should shut up.

The Argus

Don Argus, chairman of Australia's largest company, BHP Billiton, speaking at his old high school in Brisbane, said he was a bit pessimistic about prospects for economic recovery in the short term. His comments followed defence by Treasury Secretary **Ken Henry** and Reserve Bank governor **Glenn Stevens** of growth forecasts in the budget.

Comments

Reserve Bank director **Warwick McKibbin**, a world finance commentator and climate change, (tax) advocate has warned that global government spending to stimulate the economy is being dominated by political agendas that will saddle future generations with debt and slow economic growth.

There'll always be bickering

A 61-day inquiry has failed to resolve Senate bickering over the \$30 billion 'RuddBank' proposal to shore up the commercial property sector, *The Age* reported. A report by the Senate Economics Committee confirms that the Rudd Government faces an uphill task to secure approval for its Australian Business Investment Partnership. The Greens and South Australian Independent Senator **Nick Xenophon** have also raised concerns. The Greens, who've been lukewarm about the proposal, foreshadowed amendments to cap the pay of the partnership's private-sector directors and increase the voting rights of the Commonwealth. **David Borthwick**, who recently retired as secretary of the Department of Environment, Water, Heritage and the Arts, will serve as inaugural chairman of the Australian Business Investment Partnership.

Twelve months on

The Rudd Government can keep the \$400 million it has made already from a tax on alcopops, but the 75 per cent tax faces an uncertain future, with Victorian Family First Senator **Steve Fielding** promising to oppose its introduction. Legislation passed the House of Representatives, allowing the Government to keep the \$424 million in tax it has collected already, as well as a regulation that will allow it to keep collecting for another year. To keep collecting the money, the Government needs parliamentary approval within 12 months, *The Age* reported.

Lights out

The independent distillers took out a half-page ad in the *Herald Sun* saying the punitive tax on premixed drinks pushes young Australians to risky behaviours like drinking cask wine and straight spirits.

A blast from the past!

The Government is making a recession worse with its industrial relations changes and wrong spending priorities, according to former Prime Minister **John Howard**, speaking in an extended interview with Sky television. Howard is on an international speaking circuit and is writing his political autobiography.

Smiling in their graves

The *Herald Sun* reported that the Rudd Government has wasted \$40 million by paying the \$900 economic stimulus bonus to tens of thousands of dead people and expatriates. Confidential Australian Tax Office documents show the bonus has been paid to the estates of 16,000 dead people while another 27,000 Australians living overseas have struck it lucky.

Clear thinking down there

New research suggests the Rudd Government has ignored the cheapest, most efficient means of protecting jobs during the global recession: cutting payroll tax, at present a state tax. An analysis of a Tasmanian Chamber of Commerce and Industry Study suggests a federal takeover and suspension of payroll tax would be a cheaper, quicker and more efficient method of saving jobs than components of the Rudd stimulus packages, *The Australian* reported.

Who runs this place

The Australian Taxation Office has backed down on extending payment of the 9 per cent superannuation guarantee levy to overtime and other allowances, reversing a decision that businesses claim cost

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\$1 billion. In a final ruling, the ATO said employers were not obliged to pay superannuation on overtime earnings, because the concept of salary and wages paid in the ordinary hours of work did not extend to overtime. This reverses a draft ATO ruling in November that deemed regular overtime to be part of the ordinary hours of an employee for the purposes of the superannuation calculation. Business groups, which had lobbied hard for the change, welcomed the final ruling, saying hundreds of millions of dollars in extra superannuation charges would have resulted had the ATO extended the super guarantee. **Australian Industry Group** chief executive **Heather Ridout** was extremely pleased that the concerns of industry had been heeded, the *Financial Review* reported.

Not easier at all

More households will be forced to seek the help of an accountant to complete their tax returns as a result of new budget measures and rules on taxable income. Both the Taxation Institute and the Australian Council of Social Services claimed the Rudd Government's actions have frustrated the goal in the Henry Tax Review to make the tax and social welfare system simpler.

Ridout rivalries

Rival employer groups say that Australian Industry Group chief executive **Heather Ridout** has been too supportive of the Rudd Government, and is undermining attempts by the corporate sector to pressure Labor on policy change.

Unfair

The *Financial Review* reported that the Rudd Government's changes to employee share schemes, which force people earning more than \$60,000 to pay tax upfront on share and options packages, affects more than four million employees and many small companies that had introduced schemes to encourage share ownership. National Australia Bank and Woodside chairman **Michael Chaney** said that 'it seems totally unfair to tax people on a benefit they may never actually realise, and that is presumably why no other country adopts the approach'. The move could spark a Senate inquiry.

Taxing nothing is good value

The plan to cut employee shares and options has had a number of unintended consequences, with the policy hurting corporate Australia's ability to issue shares and bonuses to workers during the recession, while also undermining years of progress made in encouraging employees to become shareholder-owners in their employers. There is no doubt however, that some higher-paid employees have been able to avoid taxes through the current structure of share and option grants. But the attempt to ameliorate one problem has seemingly caused a bigger one, the *Financial Review* reported.

The *Financial Review* reported that the Rudd Government was forced to back down on the proposed changes to the employee share ownership schemes and will fast track an overhaul that could reverse the plan included in the budget to tax shares upfront.

BHP heads the pack

BHP announced it would introduce a minimum 18 weeks' paid parental leave for all employees worldwide on birth or adoption of a child. BHP Billiton chief executive **Marius Kloppers** said he believed there was a strong business case for paid parental leave, *The Australian* reported.

Finger on the button

BHP Billiton plans to exploit the West Australian Liberal Government's removal of a longstanding ban on uranium mining by developing the \$17b Yeelirrie deposit in the centre of the state, *The Australian* reported.

Big brass

Australia's big miners are pushing for a merger of leading industry bodies in a bid to cut costs and centralise lobbying power under the **Minerals Council of Australia**. Organisations targeted under the plan include the Australian Coal Association, the Australian Aluminium Council, the Australian Uranium Association and state and territory minerals councils. A letter signed by chief executives at 11 companies, including BHP Billiton, Rio Tinto and Xstrata, said the new arrangement would improve national consistency and reduce the combined operating cost of \$45 million a year. The letter has angered some industry bodies and their junior member companies. Industry insiders said they feared concentrating power in Canberra would strip some commodities of representation and deny others a strong voice at state level, where much of their business lies. **Tony Fawdon**, executive chairman of minerals explorer Diatreme, said the Queensland Resources Council had been crucial in the industry, winning \$50 million from the Queensland Government in 2006, *The Age* reported.

Free trade

The Australian reported that while all big four banks expanded their mortgage books in the March quarter, Australia's two banking giants — the merged Commonwealth Bank/BankWest and Westpac/St George's Bank — took a combined 85 per cent of big four mortgage growth during the period. The revelation comes in a banking industry review by Brandmanagement — a market research firm specialising in the finance sector — from regulatory and banking industry data.

Cleared

The nation's biggest forestry investment scheme, **Great Southern**, has gone into administration owing more than 40,000 mum and dad investors up to \$4 billion. The crash comes less than a month after rival agribusiness company Timbercorp collapsed, shattering investor confidence in the managed investment scheme sector.

Stasis of choice

The Age reported that **Nick Stace** is the new chief executive of **Choice**. He has been in Australia little more than a month but has set his sights on the Australian supermarket duopoly, the big four banks and the telecommunications industry as the three-headed monster **Choice** is to do battle with under his leadership. These sectors are looking unusually vulnerable in the face of the steep economic

downturn, says Stace — and he has past form in goading consumers into belligerent activism. Before the 37-year old's brief incursion into politics last year, when he served as British PM **Gordon Brown's** head of strategic communications, Stace had spent almost a decade working with the UK Consumers Association, now known as Which?

Who hates which bank?

Australian households have handed banks about \$5 billion in fees during the past year, including penalty fees for late payments and overdrafts on credit card and deposit accounts, the Reserve Bank says.

Hmmm

The *Herald Sun* reported that Coca-Cola has been forced to debunk its own 'myth busting' ads after an investigation by the Australian Competition and Consumer Commission. In October, the company placed newspaper advertisements featuring actor **Kerry Armstrong** as 'Mum, the myth buster'. The ACCC decision contradicted a November finding by the **Advertising Standards Bureau** that dismissed complaints that the ads were misleading or deceptive and means Coca-Cola has agreed to place ads admitting they may have misled the public. 'It's vital that no parent is hoodwinked into thinking Coca-Cola is not an unhealthy product,' said **Australian Dental Association** president **Dr Neil Hewson**.

Give well, give more

Fifty-seven per cent of charities reported less income from fundraising appeals held since July 2008 as the economic downturn has unfolded. A national survey by charity research group Givewell found the average fall was 12 per cent, *The Australian* reported.

Dropping off

International arrival numbers dropped almost 19 per cent in February while the conference market lost a total of 27.6 per cent of overseas delegates as convention organisers switched to cheaper Asian destination, the *Financial Review* reported.

INFRASTRUCTURE

Leaders

The *Financial Review* reported that leading business chairmen and executives are worried that the multi-billion-dollar infrastructure program outlined by the Rudd Government could be undermined unless it is accompanied by regulatory reforms including an overhaul of environmental approvals and complex planning and procurement processes.

Fortune favours the prepared mind

The **Minerals Council of Australia** has warned state and federal governments against neglecting critical export infrastructure during the global economic slowdown, saying it could jeopardise the nation's international market share over the next decade. The first audit of Australia's critical minerals exports found there were significant gaps in the nation's export infrastructure which needed to be rectified to take advantage of the global recovery when it arrived, the *Financial Review* reported.

Watch this

Australia's towns and suburbs are about to be transformed into construction sites, with 35,000 construction and maintenance projects poised to roll out in the next 12 months.

FOREIGN AFFAIRS**Oopsy doopsy**

The *Canberra Times* reported that in an embarrassing blunder Foreign Minister **Stephen Smith** has breached confidentiality across the full breadth of Australia's diplomatic relationships by accidentally tabling in Parliament a secret list of Australia's bilateral treaty negotiations. The comprehensive schedule of current negotiations with foreign governments list was tabled with Smith's authority in both houses of Parliament. Smith's office admitted that the schedule had been tabled in error. A note on the cover of the list explained that it is internationally accepted practice that the disclosure of even the fact that negotiations are taking place should occur only with the agreement of both parties.

Kranky

After unusually being personally blocked by **Kevin Rudd** for the appointment of envoy to Germany, **Hugh Borrowman**, whom Rudd has known since their university days, was made designate ambassador to Sweden. Rudd's unusually close scrutiny of Australia's overseas interests — stemming from his background as a diplomat — is said to have created a backlog in filling ambassadors' jobs under Labor and further signals a pattern of obsessive control of foreign policy by the Prime Minister. The job of High Commissioner to London was left unfilled for most of last year, *The Age* reported. Only about a quarter of diplomats speak a foreign language.

A cool response to his body

Kevin Rudd will convene a regional conference next year to overcome objections to his Asia-Pacific community in a move that risks a diplomatic rebuff in an election year. He is stepping up his effort to build the diplomatic forum a year after the cool response from Asia-Pacific leaders to the idea, which he announced last June. Indonesia initially rejected the idea while Malaysia played down the need for a new body and India noted it without offering support, the *Financial Review* reported.

Don't they love us anymore?

Australia has missed out on getting an American ambassador, despite 20 new US ambassadors nominated in late May. Long gaps between US ambassadors in Canberra is becoming an uncomfortable trend with Australia's closest ally. The post was left vacant for 18 months between 2005 and 2006. And since George W. Bush's friend **Robert McCallum** left the post in January, the role has been handed to the US embassy's charge d'affaires, **Dan Clune**, *The Australian* reported.

Bonjour

French President **Nicolas Sarkozy** and his supermodel wife, **Carla Bruni**, are likely visit Australia this year, with senior sources confirming the visit after Sarkozy attended the Oceania Summit in Noumea, New Caledonia.

EDUCATION**Our national curriculum**

Indigenous history, sustainable living, Australia's relationship with Asia, an increase in maths and a focus on grammar will be at the core of the national curriculum for schools. The first stage of the curriculum, which covers English, history, maths and sciences, is being drafted and will be introduced in 2011. The second stage will cover geography, languages and the arts, *The Age* reported.

What is grammar!

The national English curriculum will include a grammar guide setting out a systematic course of study to be taught in schools and the concepts students should learn. Submissions received on the English curriculum training paper overwhelmingly supported teaching grammar, but the teaching profession disagrees on the type of grammar that should be taught, and how it should be taught. In a bid to settle any grammar war before it begins, the national curriculum board intends to declare from the start that school students should learn traditional grammar that is integrated into the English course as part of the study of language, *The Australian* reported.

Budget bullseye

The Rudd Government has placed performance targets at the centre of a \$5.3 billion, six-year package intended to move higher education funding towards a more sustainable basis. Teaching funding is to be linked to agreed performance outcomes on quality, participation and completions rates and a new regulatory agency, the **Tertiary Education Quality and Standards Agency**, will be formed to oversee standards and performance. The move is part of a \$5.3 billion package for tertiary education research that, in addition to \$2.6 billion in infrastructure funding, includes longer-dated pathways towards making funding more sustainable through better indexation and increased research block grants to cover indirect costs. Higher education commentators welcomed the budget, against a background of low expectations, *The Australian* reported.

Back again

The Rudd Government has proposed allowing universities to charge students compulsory fees of up to \$250 a year to cover non-academic services such as sporting activities, health clinics and counselling. The move aims to restore services lost from campuses as a result of the Howard government's voluntary student unionism laws. **But**

the changes appear to be in doubt after Nationals Senator **Barnaby Joyce** said he did not support the legislation in its current form, *The Age* reported.

Unfortunate

The Indian Government has requested that Australian authorities do more to protect students after a series of violent attacks in Melbourne have left victims in hospital. **Kevin Rudd** telephoned his Indian counterpart **Manmohan Singh** as anger grew in India over attacks on Indian students in Australia. The telephone call came as India summoned Australia's High Commissioner **John McCarthy** to express its concerns.

Thankyou

The Rudd Government is insisting that all schools benefiting from its \$14.7 million 'building the education revolution' projects must fix a plaque, to be supplied by the Commonwealth, in front of the completed hall, shed or classroom, giving the Government credit for the building work. The office of Deputy Prime Minister **Julia Gillard** has confirmed that each plaque will cost \$200 and there will be 9285 of them, a cost of \$3.7 million in all.

Alliance sans Francais

The **Business Alliance for Asia Literacy** is a coalition of 60 associations and corporations now calling for a greater educational focus on Asia. Currently, only 3 per cent of students study an Asian language at university. Twelve per cent of year 12 students study a foreign language, but only half those choose an Asian language. In the past decade, the number of languages offered at universities dropped from 66 to 29, according to a recent Group of Eight Universities' report. Earlier this year, Education Minister **Julia Gillard** launched an 'Asia literacy' strategy to double the numbers of students studying an Asian language by 2015, with funding of \$15.6 million a year over four years, *The Age* reported.

Universities other investments

Australia's biggest universities have been hurt by the global financial crisis, with the University of Melbourne reporting a \$245.7 million loss in the value of its investments and the University of New South Wales an \$87 million write-down. The University of Western Australia lost more than \$100 million from its investment portfolio, resulting in a \$63.9 million loss for the institution, *The Australian* reported.

Clear focus

The Australian reported that the Australian National University's **National Institute of Rural and Regional Australia**, which went online in late April,



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aims to overcome the tyranny of distance and bring together, for the first time, researchers focused on rural and regional Australia. The institute's director **Linda Botterill** says it will be a network of rural and regional researchers across disciplines and across institutions, www.nirra.anu.edu.au.

Devil in the detail

Only one-fifth of the computers that the Rudd Government promised 18 months ago to every senior secondary student have been delivered to schools according to Education Department officials.

Pretty good idea

The newly formed **Australian Children's Literature Alliance** hopes to promote Australian children's and youth literature, as well as convincing schoolkids of the importance and pleasure of reading, *The Australian* reported.

HEALTH

Up and out

Australia's fertility rate has reached its highest level in more than 25 years, but the economic slowdown may temporarily slow the breeding growth. Last year, the fertility rate swelled among women in every age group, pushing the fertility rate to 1.93 babies per woman — up from 1.81 in 2006 and the highest it has been since 1981, *The Age* reported.

Big IT dream

Nationwide electronic health infrastructure will cost \$1.5 billion over five years, or \$2.6 billion over a 10-year rollout, according to leaked funding details. Federal and state ministers have kept tight wraps on costings and timetables since agreeing last December to adopt the **National E-Health Strategy** prepared by **Deloitte**, *The Australian* reported.

The *Financial Review* reported that states and private health providers have been put on notice that federal health funding may become contingent on the adoption of a nationally compatible electronic health records scheme. The distinctly harder line on technology-driven improvements comes as the Rudd Government struggles to find between \$1 billion and \$3 billion to create a national electronic health scheme, against a background of shrinking revenues.

Passing the baton

Rosanna Capolingua fired a final broadside at the Rudd Government in her last speech as the Australian Medical Association president, accusing Canberra of exploiting 'greedy doctor' stereotypes to drive its reform agenda. Meanwhile, the AMA's new president, **Andrew Pesce**, picked up where she left off, using his first hours in the job to criticise Health Minister **Nicola Roxon** for the vilification of doctors, *The Age* reported. In *The Australian*, Pesce says his first challenge as president is to re-establish relations with the Federal Government and Nicola Roxon which, if his first hour in the job is anything to go by, may present him with some difficulties.

Cancer of them old bowels

Almost half a million people have been given faulty bowel cancer screening kits, in the latest problem to plague the government screening program. More

than 100,000 who have been cleared of disease will have to take the test again. The \$43 million screening program was launched in 2006 to detect the country's second deadliest cancer.

Have a great day

The number of Australians reporting long-term mental health and behavioural problems has risen by 200,000 in the past three years. Figures released by the Australian Bureau of Statistics show a 9 per cent jump in the prevalence of mental ill health from 2.1 million in 2004–05 to 2.3 million in 2007–08. The number of Australians taking pills and potions for depression, anxiety and insomnia has risen dramatically over the same period, with one in three Australians taking some kind of pill or herbal remedy. The number includes 213,000 children under the age of 15 whose psychological problems are being treated with medication, *The Australian* reported.

JUSTICE

Familial issues

The Federal Magistrates' Court is to be dissolved with Magistrates Court matters, mainly small litigation, being now heard by newly established sections of the Federal Family Court and the Federal Court of Australia.

Barred from forcing the unwilling

The Opposition has indicated it would not support legislation that would merge the Federal Magistrates Court into the Family Court and Federal Court. In a Senate estimates hearing, it was revealed that the Government had been advised that the Constitution barred it from forcing unwilling federal magistrates to join other courts, the *Financial Review* reported.

Conveyance inconvenience

The push to roll out a national electronic conveyancing system is close to collapse because the nation's governments have not allocated \$20 million to establish a company to run the new system. Even though the Council of Australian Governments has agreed that the states should establish a single national complaints system, a letter from **Les Taylor**, who chairs the steering committee that has been planning the new system, noted that the savings from the project were at risk of being lost for at least a generation. Those savings have been estimated by industry groups to be worth \$250 million annually. A former general counsel of the Commonwealth Bank, Taylor said lawyers, bankers and conveyancers were likely to abandon the project unless \$20 million was provided to establish the company that will run the system. He believed the project could be saved with a modest injection of seed funding by the Commonwealth, *The Australian* reported.

Kessing their bottoms

Attorney General **Robert McClelland** has urged convicted whistleblower **Allan Kessing** to seek government funding for his High Court challenge against the Commonwealth Director of Public Prosecutions over his conviction exposing security flaws at the nation's airports. McClelland has suggested that Kessing's planned High Court

challenge could be covered by a scheme that pays for public interest cases. If the government funded **Kessing's** case, it would be paying for litigation against another arm of the Commonwealth, *The Australian* reported.

Being up front

The Rudd Government will save \$2.4 million over four years by reducing in-house legal services for matters ancillary to the prosecution role of the Commonwealth Director of Public Prosecutions.

COALITION DOINGS

Staying or going?

The Liberal Party closes its nominations for 13 of the 14 House of Representatives seats it holds in Victoria, including in **Peter Costello's** electorate, on June 30.

Flying off

Federal Liberal **David Hawker**, 60, MP for Wannon, in Victoria's Western district, will retire at the next election. The seat is on a solid 7.5 per cent margin. He was speaker from 2004 until the defeat of the Howard government.

Shulz shoves Pearce

The *Herald Sun* reported that following a dispute over three-cornered contests - when Nationals and Liberal MPs contest the same seat in an election, New South Wales Liberal MP **Albie Shulz** shirt-fronted his Victorian counterpart **Chris Pearce**. The incident happened in the Liberal Party room before question time, where it was raised by a gleeful **Kevin Rudd** not more than two hours later. One wonders how he found out about it so swiftly...

Little bit of Barry biff

The Age reported that **Malcolm Turnbull** says he is disappointed that his press secretary **Tony Barry** clashed with Ten network producer **Stephen Spencer** over an article in News Ltd papers about stimulus payments going to dead people. Barry is a one-time deputy director of the Victorian Liberal party. Spencer was **Simon Crean's** press secretary when Crean was opposition leader. Barry said, 'For a moment, my normally sunny disposition was interrupted by an uncharacteristic burst of bad temper for which I've apologised.'

APPOINTMENTS, JOBS AND TENDERS

Appointments

Mal Brough, 47, architect of the Howard government's indigenous intervention, is carving out a new life in Melbourne with his wife, Sue, working with the not-for-profit Blueearth Foundation. Five new members have been appointed to the Government's takeovers panel by Corporate Law Minister **Nick Sherry**. They are **John Green**, **Peter Hay**, **Sophie Mitchell**, **Francesca Lee** and **David Bennett**, QC. Nine other members have been reappointed — **Ian Ramsay**, **Mark Paganin**, **Simon Withers**, **Martin Alciaturi**, **Robert Johanson**, **John Keeves**, **Jennifer Seabrook**, **Karen Wood** and **Heather**

Zampatti. All members have been appointed until March 2012. The panel now has 53 members, all appointed on a part-time basis.

Former Qantas chief executive **Geoff Dixon** is likely to be appointed deputy chairman of Tourism Australia, in a boardroom upheaval that will also see two other directors replaced. It turns out that Victorian tourism boss **Greg Hywood** will not be elevated to Tourism Australia as was reported in the last edition of **Letter from Canberra.**

Michael Wesley, 40, who worked as an assistant director-general for Australia's main intelligence agency, the Office of National Assessments, is the new executive director of the **Lowy Institute**, an influential think tank in international affairs. He attended the same high school in Queensland as Kevin Rudd and was a leading figure at last year's 2020 summit, where he chaired the panel on Australia's future security and prosperity in a rapidly changing region and world. He is viewed as an impartial analyst of global issues.

Jobs

The **Australian Centre for Social Innovation** seeks a chief executive officer, www.hender.com.au.

The **Australian Petroleum Production and Exploration Association** seeks a senior policy adviser, www.appea.com.au.

The **Department of the Environment, Water, Heritage and the Arts** seeks expressions of interest for the position of chair of the threatened species scientific committee, www.environment.gov.au/biodiversity/threatened/committee.html.

The **Department of Resources, Energy and Tourism** seeks a chief executive officer for the **Australian Solar Institute**, search@watermarksearch.com.au.

The **Australia Institute of Quantity Surveyors** seeks an executive director, dbethke@hunthunt.com.au.

The **Australian Health Practitioner Regulation Agency** seeks a chief executive officer, cyg@carlisleyoung.com.au.

Greenpeace Australia Pacific seeks a chief executive officer, cv@ngorecruitment.com.

Landcare Australia seeks a chief executive officer, landcare@ckh.com.au.

Reconciliation Australia seeks a strategic adviser, www.reconciliation.org.au.

Meat & Livestock Australia Limited is seeking to appoint three independent directors to its board, www.mla.com.au.

Tenders

The **Department of Resources, Energy and Tourism** has asked to set up a global carbon capture and storage institute, and is seeking consultants to prepare guidelines for proposed carbon capture storage procedures, www.ret.gov.au/tenders.

The **Department of Innovation, Industry, Science and Research** announced its 12th Cooperative Research Centres Program Selection Round, applications close on August 14, www.crc.gov.au.

Ideas

The **Department of Education, Employment and Workplace Relations** is releasing the exposure draft and conducting consultation sessions into the new disability employment services

and employer incentives scheme 2010–12 purchasing arrangements, www.workplace.gov.au/espurchasing.

The **Department of Education, Employment and Workplace Relations**, has released an overview paper on Australian apprenticeships access program services, www.deewr.gov.au/AccessProgram.

A **Senate Select Committee on Agricultural and Related Industries** is conducting an inquiry into food production — impact of Managed Investment Schemes, www.apf.gov.au/Senate/committee/agric_ctte/tor.htm.

It is also conducting an inquiry into the incidence and severity of bushfires across Australia.

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