



LETTER FROM
CANBERRA

Issue 57

The Australia's New Strategic Plan Edition

8 August to 6 September

Issues

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Musings, various
Challenging. Below the line on the Victorian Senate ticket.

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

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

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

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

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Letter from Canberra

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About the editor

Alistair Urquhart, BA LLB

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

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

For 30 years, he listened every Sunday evening to the late Alistair Cooke and his *Letter from America*. Alistair's early career was mostly in the coal industry, where he became involved with energy, environmental and water issues, and later in the SME finance sector.

He found time to be involved in a range of community activities where he came to understand some of the practical aspects of dealing with government and meeting people across the political spectrum. He now chairs a large disability employment service, including its British operations.



About the publisher

Affairs of State

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

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

The firm provides the following to clients:

- Two monthly publications
- Events at our offices and elsewhere
- Charts and specialist directories
- Facilitation with business and legal skills
- Training courses
- Mentoring of senior executives

S'Over

We publish Letter From Canberra every 30 days, except at Christmas/Seaside time, so this edition at this very time becomes a recent history of the big event that we all/most of us had on Saturday last.

We will get a good summary of the next few weeks out to our subscribers soon.. Please call us earlier if you need a coffee briefing. We do not want to miss keeping the past month's activities as a succinct foundation for what much of the next 12 months will be based upon, and much of the next few years.

My own musings include that perhaps we had three main parties fighting it out over the past month(s); the Coalition, Labour, the Media (not sure if this has a small or capital M) Party, and the smaller parties. Not sure if the M party looks forward to a break. Not sure it knows how well it went. Reckon it should be shipped off to school to learn some serious geography, history and ethics and etiquette. How great they aren't.

It had no particular Leader like the other two parties, which also should not have the emphasis on just one leader, because a government of Australia is more than just one man.

Australia's reputation overseas is one of the biggest issues or concerns as the internal political party infighting has spread wide. 'Bloodless coup in Australia' said the Denver Post. And near neighbours have had other reasons for concern as our internal Australian politics has spread beyond our shores, with business and social issues.

Right at home, evidently half a million younger folk have not registered to vote. To me, M has only made the minds of these folk even more unlikely to be positive participants in sensible regular three yearly discussions about the nation's future strategic planning.

The policies of the contenders share some common ground, says The Australian's contributing editor **Peter Van Onselen**. How important to have someone bring the facts together in such a way. Facts. If you want facts, so few voters around this country would understand the carbon tax/trading/whatever it is and does/does not, (Confusion says **Jennifer Hewett** in the Australian *Financial Review*) and some of the costings on the parental leave scheme and many other matters that were in the campaign.

Let us find and have politicians, and media (no capitals), who mean and clearly and objectively state what they say. Objective, factual, stuff.

– Alistair Urquhart

*Let us find and have politicians, and media,
who mean and clearly and objectively state what they say.*

STOP PRESS

As we go to press on Monday, 9 September, four federal lower house (House of Representative) seats remain undecided. The Coalition won 86, seats 13 more than previously. Labor won 57 seats, 15 less than last time. Greens 1 and two Independents being the Katter Party and the Palmer Party.

In the Senate, the Coalition goes from 34 to 33, Labor from 31 to 25 (believe it or not), the Greens from 9 to 10, and there are seven independents or minor parties.

Therefore, legislation will be difficult to pass, with a wide-range of smaller players who might exchange votes, depending on what.

Governance

Budget brawl

Labor has opened a new attack in the last week of the campaign on **Tony Abbott** over cuts to government services before a budget update that revealed the risks to the nation's finances and that sharpened the election dispute over federal spending.

The Opposition Leader reignited the row over spending cuts by praising the 'golden age' of reform in Victoria under Liberal premier **Jeff Kennett**, when public servants were laid off to slash the deficit, sparking Labor accusations that if elected he would replicate the blueprint in Canberra. As **Kevin Rudd** sought to raise new fears about Mr Abbott's intentions, both leaders were put on notice on fiscal policy when Commonwealth Bank chief executive **Ian Narev** urged them to commit themselves to stable economic management.

Economic claims

Prime Minister **Kevin Rudd** has stepped up his reservations over foreign investment by declaring himself an economic nationalist, shedding the economic conservative tag that he adopted when he first became Labor leader. The shift came as concerned business and industry sectors were still digesting Rudd's comments about foreign investment during (one of the) the leaders' debate, in which he said he preferred joint ventures over outright foreign ownership.

First debate

Tony Abbott branded **Kevin Rudd**'s claim of a \$70 billion shortfall in his (the Coalition's) election platform as 'simply a fantasy', but refused to say how he would replace billions of dollars in revenue which, if he won the election, would be forgone by scrapping a slew of Labor taxes. The claim and counter-claim came in the keenly awaited first leaders' debate of the 2013 election campaign, rated by many observers as a narrow win to the challenger who, unlike Rudd, spoke without notes in accordance with the agreed rules. There was no clear winner, although that may depend on your view!

Musings

Michael Gordon wrote in *The Age*: 'In 2010, the consensus was that Rudd scored a comfortable win by giving a smooth, persuasive and prime ministerial performance. In contrast, Abbott was seen as overly aggressive and under-gunned on policy detail. This time the dynamics were/are very different. The pressure was on Rudd to score an emphatic win to energise his campaign after an unremarkable first week. Behind in the polls and keen for a debate a week, he needed to clearly outperform

his opponent.'

In *The Australian*, **Nikki Savva** wrote: 'Some gratuitous advice to both candidates. Kevin, get a haircut or get some hairspray. Tony, stop the slogans and treat all the folk out there like adults.'

In the *Herald Sun*, **Jessica Irvine** wrote: 'Rudd has more flip-flops than Havaianas (thongs), (nd Abbott has to come clean'.

Beattie

According to **Kenneth Wiltshire** professor at the University of Queensland – writing in *The Australian* – '**Peter Beattie** must hope that the voters have amnesia. With the former Queensland premier back in the spotlight, his record deserves scrutiny.' It got that scrutiny elsewhere in the same newspaper, and the conclusion on Mr Beattie's nine years in office – 1998-2007 – was singularly unfavourable: 'The former premier's infrastructure adventures,' Joe Owen wrote, 'were a disaster for Queensland ... With a slew of such decisions, Queensland lost its AAA credit rating in February 2009, just 18 months after Beattie's retirement.'

And then...

There was a third page advertisement headlined '**Kevin Rudd** by **Peter Beattie**'. It outlined Mr Beattie's stinging criticisms of Mr Rudd in June 2010.

Polling

Voter support for **Kevin Rudd** has sunk to its lowest level on record, leaving Labor headed for a large election loss with **Tony Abbott** now virtually equal as preferred prime minister. After two weeks of presidential-style campaigning – in which the Prime Minister's personal support has continued to plummet and the Opposition Leader's has steadily risen – Mr Rudd was in a worse position than when he was removed as Labor leader in June 2010. The Newspann survey, conducted exclusively for *The Australian*, found Mr Abbott in his best position ever against Mr Rudd.

On 24 August, a poll in *The Age* had the two-party-preferred vote at 47-53 in favour of the Coalition. As for *The Australian*, its columnist **Dennis Shanahan** recently concluded: 'Labor won power in 2007 on a Ruddslide but looks like losing power in 2013 in a Ruddbath. The legitimate but pointless question is whether they would have been better off hanging on to **Julia Gillard**.' Mr Shanahan's colleague **Paul Kelly** came to a similar finding: '**Kevin Rudd**'s fighting policy speech has come several weeks too late.'

But if the Coalition does indeed lose ... well, when Mr Abbott appeared on ABC television's Kitchen Cabinet, he told host **Annabel Crabb**: 'I think one thing we can be absolutely certain of is that I won't be the Opposition Leader after the election.' It is, *The Age*'s Bianca Hall reported, 'the first time Mr Abbott has publicly acknowledged that he would step aside if he lost.'

Rudd at risk

Kevin Rudd faces a fight to avoid become the third prime minister in the nation's history to lose his own seat. According to *The Age*, a second poll in a week showed that Mr Rudd is trailing his LNP opponent **Dr Bill Glasson**, in Griffith, prompting the Prime Minister to declare that he was campaigning as hard as he could. *The Age* columnist **Mark Kenny**

said: 'Privately, some Labor MPs concede the best thing for the party, given the scale of the repudiation coming its way, would be for Mr Rudd to lose his Brisbane seat of Griffith.'

More opposition to Mr Rudd came from erstwhile Liberal Senator **Nick Minchin**, who told *Financial Review* readers recently that '**Kevin Rudd**'s obsession with securing the Labor leadership has created the disunity within the party that is responsible for its near-inevitable election downfall ... How the ALP could allow one destructive and self-obsessed individual to wreak such havoc is extraordinary.'

Facing a rout

According to *The Australian*, Labor faces a wipe-out on the New South Wales Central Coast where **Kevin Rudd**'s popularity has crashed below his already flagging national personal support and **Tony Abbott** is clearly the preferred prime minister. Labor support in the seats of Robertson and Dobell has fallen seven percentage points since the 2010 election on a two-party-preferred basis, which would put Liberal MPs into both seats.

As goes Werriwa ...

The seat of Werriwa, in Sydney's west, should be rock-solid for the ALP. It has invariably returned Labor parliamentarians since 1932, and these parliamentarians have included **Gough Whitlam**, **Mark Latham**, and current member **Laurie Ferguson**. But now opinion polls are intimating that even Werriwa is at risk of turning against its Labor tradition, according to **Brad Norington**'s report in *The Australian*. Mr Ferguson is quoted as saying: 'I think I will just win, but it will be close.'

The young at the polls

Both **Kevin Rudd** and **Tony Abbott** are vulnerable, according to *The Australian*, to a late change in support from volatile young voters. This particular demographic – including those aged 18 to 34 – forms 26.4 per cent of registered voters, and is remarkable for its weakness of party loyalty.

Religious leaders off-side

As if **Kevin Rudd** didn't have enough to worry about, he has now succeeding in sparking severe criticism from religious leaders, who are angry at his recent attempts to supply a biblical basis for his belief in same-sex marriage, while denouncing a Christian pastor, **Matt Prater**, who opposed him. The Anglican Archbishop of Sydney, **Glenn Davies**, said that the PM was 'profoundly wrong' and alleged that he had actually quoted Aristotle – not the Bible – when citing the notion that 'slavery is a natural condition.' **Lyle Shelton**, managing director of the Australian Christian Lobby, went further, saying: 'You need only look at his [the PM's] tone on Q&A to realise he will really clamp down on freedom of speech and freedom of religion if he is elected again.'

Therese intervenes

According to *The Australian*, **Therese Rein** has made an unprecedented intervention in the election campaign, using a thank-you email to party supporters in the bellwether marginal of Eden-Monaro to warn that a Coalition government could sell Snowy Hydro.

Muscling up

Kevin Rudd admitted he would lose the election if it were in mid-August as he sought

to claw his way back into contention with an aggressive performance against **Tony Abbott** in the second leaders' debate on the 22 August. As for the debaters themselves, the verdicts by journalists at *The Australian* were varied. **Judith Sloan** said: 'Abbott by a nose.' **Troy Bramston**: 'Rudd had a narrow victory.' **Peter Van Onselen**: 'He [Rudd] sounded flat, reflecting Labor's campaign.' **Chris Kenny**: 'The calm contender shaded the jumpy incumbent.'

Tensions

According to the *Financial Review*, tensions have emerged between **Kevin Rudd's** small campaign team and the Labor Party's election headquarters in Melbourne, as Labor's media strategy causes particular concern.

Attack

According to *The Australian*, **Kevin Rudd** has claimed that Coalition cuts could plunge the nation into recession by next year as Labor released new attack ads, declaring of **Tony Abbott**: 'If he wins, you lose.' The launch of Labor's biggest advertising salvo of the campaign so far comes as party sources believe the Prime Minister is gaining traction with his 'cuts' attack, with tracking polls showing incremental improvement in his own electoral position.

Musings

In the *Herald Sun*, **Peter Costello** wrote: 'If you run a scare campaign, try to make it scary.'

Top End

According to *The Australian*, **Kevin Rudd** wants to unlock Australia's north by cutting the corporate tax rate in the Northern Territory and simplifying foreign-investment rules, but his northern conversion has been attacked as a 'thought bubble' that cherry-picks Coalition policy.

'Informational'

The Labor Party's chief pollster has defended the decision to release negative advertisements unusually early in the campaign, calling them 'informational' ads that have been proven to cut through to voters. **John Utting**, pollster and managing director of UMR Research, which is advising Labor, said that the ads were not designed to scare.

But....

Coming after he promised to end the negativity, **Kevin Rudd** has launched a third scare campaign against **Tony Abbott**. According to the *Herald Sun*, Labor has launched ads that accuse Mr Abbott of hiding hideous plans for the country. One ad paints Mr Abbott as a negative leader who will hurt families through billions of dollars in spending cuts. While campaigning in Melbourne, Mr Rudd also produced a jar of Vegemite as a prop to describe how Mr Abbott would extend the GST 'presumably to include food' and increase it from 10 per cent to 12.5 per cent. The Coalition vehemently denied the existence of any such plans.

Social media

According to a double-page spread in *The Age*, Twitter, Instagram, Facebook and YouTube played only a marginal role in the last two federal elections, but this poll will be vastly different.

Hitting the phones

According to *The Age*, Labor strategists have embarked on an under-the-radar telephone blitz aiming for a million personal calls by election day, in the hope of turning around their flagging campaign 'with under a fortnight to go'.

Class warfare?

According to the *Financial Review*, **Kevin Rudd** has invoked the class warfare he vowed to avoid as he attacked the Coalition's paid parental leave scheme, alleging that it would profit billionaires such as **Clive Palmer** and **Gina Rinehart** while plundering the income of self-funded retirees. Rudd ramped up his attack on what he called a 'dog of a policy' as Treasurer **Chris Bowen** released figures showing the impact on retirement savings of the Coalition policy. He claimed that earnings on an average \$500,000 investment in Australia blue-chip companies will fall by more than \$1,300 a year. The government also claimed that charities and universities would be hit, and it cited figures showing how imputation credits were a significant and growing source of their income.

Preferencing

Labor is resisting **Tony Abbott's** demand to put the Greens last on how-to-vote cards to avoid a backlash in seats where the government needs the minor party's support to survive. **Kevin Rudd** deflected the issue of preferences by repudiating **Julia Gillard's** minority government agreement with the Greens and independents, declaring that there would be no such alliances in the event of a future hung parliament. According to *The Australian*, the decision not only destroys the Greens' chances of winning any more lower house seats, but will also make it significantly harder for them to win Senate positions.

Preferencing (2)

Labor is expected to sign more preference deals with Katter's Australian Party in key marginal seats in Queensland, despite KAP candidates opposing key ALP policies, including same-sex marriage. Last week the ALP and KAP lined up preference deals in the regional Queensland seats of Hinkler, Herbert, Flynn and Capricornia, in exchange for Labor switching its backing in the Senate from the Greens to KAP.

Preferencing (3)

Tony Abbott has sharply personalised his political attack against **Kevin Rudd** over Greens preferences as Labor struggles to respond to the Coalition's outright rejection of the minor party.

Personal preferences

Federal Labor MP **Michael Danby** has declared a personal war against the Greens and will give preferences to the Liberals in his seat of Melbourne Ports. According to the *Herald Sun* while most Labor MPs and candidates in Victoria will preference the Greens ahead of the Liberal Party, Mr Danby said that his decision was ideological and constituted the keeping of a promise from two years ago.

Green anger

The Greens have been accused of dishonesty after handing out 'open' how-to-vote cards at pre-poll voting centres in key marginal seats, despite a promise to preference Labor. According to the *Herald Sun*, Greens Party material handed out in Corangamite, La Trobe, Melbourne Ports and Chisholm, advise people

to vote Greens and then order 'other candidates in order of your preference'.

Carve up

In *The Age*, **Tim Colebatch** wrote: 'Right of centre parties could win a majority in the new Senate, enabling the Coalition to pass its key legislation.'

Greens

Greens deputy leader **Adam Bandt** has called on voters to forget Labor and the Coalition branding them the 'Coles and Woolworths of politics', after both of the major parties ruled out any post-election deals to form government.

Interesting support

According to *The Age*, **Bill Kelty**, the Labor Party stalwart, has joined former Liberal Prime Minister **Malcolm Fraser** in endorsing Greens senator **Sarah Hanson-Young** in her fight to hold her seat.

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Regional seat

The sitting member for Mallee, **John Forrest**, is retiring after seven consecutive victories, the last by a massive 24.4 per cent margin. Statistically, that makes Mallee the safest National seat in Australia. The Nationals' candidate at this poll is the former president of the Victorian Farmers Federation, **Andrew Broad**, considered by some a ready-made politician. Yet there is still a chance the Nationals could lose the seat - to the Liberals. This is because conservative-leaning voters, the dominant local breed, have the chance to vote Liberal at this federal poll for the first time since **John Hewson** lost the 'unlosable election' in 1993, when the Liberals lost Mallee by only about 700 votes. To confound matters, there are 12 candidates, many from minor parties who will appeal to conservative-leaning voters, such as Katter's Australian Party. Such movements' preferences flow would be crucial in a tight vote.

The Liberals and the Nationals have a rule that each will not stand a candidate in a seat where the other is the member).

Meanwhile **Ron Boswell**, veteran Nationals Senator for Queensland, has been complaining that the minor parties are ensuring 'horse-trading, [which] engineers a result voters can't predict.'

Cracks

According to *The Australian*, Labor's campaign is not off the rails, but what has emerged in the past fortnight is a disconnect between the Prime Minister's travelling party and Labor's Melbourne headquarters, where ALP national secretary **George Wright** is based. There have been disagreements over strategy and the readiness of the campaign apparatus, now that it is really being tested. Communications between the two have been strained.

Disgrace

According to the *Herald Sun*, **Kevin Baker**, a NSW Liberal candidate, is the third to drop out in disgrace. **Kevin Rudd** was forced to axe the candidate in Hotham after it was revealed he had once called a disabled colleague a 'slut'. He also stripped Kennedy candidate **Ken Robertson** of his endorsement for calling **Tony Abbott** a bigot.

Musings

In *The Age*, **Mark Kenny**: 'After a burst of popularity, the ALP's inner chaos is proving too much for voters. Those hatreds go too deep for comfort. But with the halfway point of this pantomime not far away, it is clear to the cooler heads in both camps that this race is already decided.'

In *The Australian*, **Paul Kelly** wrote: 'Election 2013 has a split personality: Rudd and **Tony Abbott** present as change agents but they are reluctant to commit to the sort of change they want. It is too risky; retaliation from your opponent is too lethal. The upshot is a confused and unpredictable election brew where both sides are loading up for huge negative campaigns.'

Apathy

According to the *Financial Review*, detailed voter figures released by the Australian Electoral Commission show not only have younger voters not enrolled in big numbers, but the number of younger voters in many marginal Labor seats has either barely increased or fallen since the 2010 election. An estimated 400,000 voters aged under 25 have failed to enrol. But what will be particularly depressing for Labor hopes of salvation from the youth vote will be trends in its most marginal seats. In the Victoria seat of Corangamite, the number of enrolled voters under 25 has fallen by 802 to 10,148.

Hotham

Ms **Clare O'Neil** was expected to win the nomination for Hotham, in the Melbourne seat of Hotham. According to the *Financial Review*, she works for the consultancy firm McKinsey & Company and became Australia's youngest female mayor when she became mayor of the city of Greater Dandenong in 2004, while still in her mid-20s.

Special interests

In a speech to the Economic Society of Australia in Melbourne, Dr **Gary Banks** slammed both sides of politics for returning to the protectionist 'bad old' days of the 1960s before the Keating reforms. The parties were giving in to special interest groups, such as manufacturers, submarine builders and renewable energy suppliers, rather than submitting policy to rational and transparent analysis.

Wikileaks

Julian Assange's running mate in the Victorian Senate has sensationally quit the WikiLeaks

Party, saying it is not worthy of receiving votes. In an explosive statement, ethicist **Dr Leslie Cannold** said some members of the party had 'white-anted' its national council, and she could no longer remain a candidate.

Burnside joins in

According to *The Age*, human rights lawyer **Julian Burnside** will lend his voice to the Greens' election campaign by endorsing its approach to refugees, as the party releases Parliamentary Budget Office costings of its asylum-seeker policies. The Greens want to set a 30-day time limit for onshore detention to allow for health, security and identification checks before allowing asylum-seekers to live in the community on bridging visas with work rights.

Donations

In *The Age*, Swinburne University professor **Brian Costar** wrote: 'Lack of political will stands in the way of Australia adopting a US-style political donations disclosure scheme that operates in real time.'

Falsehoods

In arguing that **Tony Abbott** will cut 'to the bone' spending on health and education, **Kevin Rudd** has no more serious charge than the one he wheeled out again in the debate. 'That's what Mr Abbott did when he was health minister, when he took \$1 billion out of hospital funding for the states at a time when he had responsibility to oversee that expenditure,' Rudd said. It's a charge with an impressive lineage. **Wayne Swan, Lindsay Tanner, Penny Wong, Nicola Roxon, Tanya Plibersek** and **Julia Gillard** have all repeated it.

It was even printed on a 2010 Labor campaign leaflet. It read: '**Tony Abbott** cut \$1 billion from health and hospitals. Don't let Abbott cut health funding again.' According to Politifact in *The Age*, the transaction was an increase, not a cut. Under the new agreement, states were offered 'up to an additional \$10 billion to help run public hospitals,' but instead of being offered up to \$43 billion as had been foreshadowed they were offered up to \$42 billion. **Tony Abbott** neither 'took \$1 billion out of hospital funding for the states' nor presided over a cut. Politifact said the charge is serious and gave a personal rating of 'false' applies where a statement is not accurate.

Implausible

According to *The Australian*, Labor's policy decisions since 2007 increased Commonwealth

revenues across the 10 years to 2016-17 by \$78 billion. At the same time, however, they increased spending by \$138 billion. The result, according to last week's economic statement, is a cash deficit that in the next two years alone will exceed \$54 billion, while the structural deficit (which corrects the budget position for the level of economic activity) is about nine per cent of Gross Domestic Product.

Postal vote gathering

According to *The Age*, people intending to lodge postal votes have been urged by the Australian Electoral Commission to take care when filling in forms as voting material sent to the household could be a vehicle for political parties to collate their personal details.

Poles apart

According to *The Age*, with **Rupert Murdoch's** Australian newspapers currently giving **Kevin Rudd** the kicking of his life, the Prime Minister singled out **Col Allan's** presence in Australia as highly suspicious. But a few weeks ago, Murdoch sent him back to Australia to figure out – and fix – what he felt was a malaise settling on News Ltd's papers. They had become, Allan judged, boring. Not any more. Certainly not to Rudd and his Labor colleagues, because day after day since the election campaign began, News Ltd papers have been calling for his scalp – and worse.

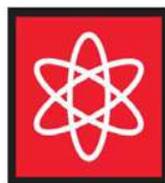
Daughters going in to battle

'If you knew him, you'd love him.' Thus the verdict – given to *The Australian* – of **Tony Abbott's** three daughters, Frances, Bridget, and Louise Abbott, on the 'daggy dad' who heads their household. Meanwhile, on the other side of politics, **Jessica Rudd** (Kevin's daughter) has stated that, out of the spotlight, the PM is 'probably the most compassionate person I know.'

Coalition doings

The launch

According to *The Age*, a confident **Tony Abbott** outlined a 10-year plan for Australia at his official campaign launch, including restoring the full health-insurance rebate, cutting the size of government and increasing defence spending. But despite railing against federal debt caused by Labor's 'reckless spending', he has abandoned a previous commitment to get the budget back to the black ahead of Labor's four-year timeline. Pledging that a Coalition



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administration would emphasise 'competence' and 'trust', he called on Australians to end the 'aberration' of ALP rule.

Hung parliament again?

According to *The Age*, Opposition Leader **Tony Abbott** is almost certain to face a hung Parliament of his own as he cruises to victory in this Saturday's election, with an unpredictable mixture of minor parties set to control the new Senate. An extraordinary proliferation of micro-parties arranging tight preference deals with each other could see the Coalition lose seats in the Senate even as it wins a big majority in the House of Representatives. The analysis comes as reports emerge of Prime Minister **Kevin Rudd**'s behind-the-scenes fury at how events have soured for him. According to several sources, his travelling party has witnessed familiar outbursts of anger and a growing cranky demeanour from the PM, while the morale of the campaign headquarters in Melbourne is at a low ebb.

Libs versus Nats

Nicolas Perpitch in *The Australian* reports that a bare-knuckled brawl has broken out between the Liberals and the Nationals over the five seats which both parties are contesting in Australia, with each side accusing the other of blatantly lying. 'In a sign of how seriously the battle for the seats is being fought, **Joe Hockey** and Nationals leader **Warren Truss** were both in Kalgoorlie recently to support their respective candidates in the seat of O'Connor, where the Nationals' Tony Crook is retiring. Mr Hockey was asked about a Nationals advertisement where viewers are asked if they can think of three things the Liberals and Labor have done for their town, followed by silence. In the video, [WA] Nationals leader **Brendon Grylls** then says: "Rudd and Abbott have promised the world but both major parties have failed Western Australia. Only the Nationals have a strong record of delivering in regional WA".'

Musings

In the *Financial Review*, **Richard Dennis**, executive director of the Australia Institute: 'A majority doesn't equal certainty. A government has simultaneously held a majority in both houses of parliament in only three of the last 30 years.'

Ten years

Tony Abbott has abandoned his intention to return the budget to surplus in the first term of a Coalition government, saying instead that voters would know before the 2016 election when the economy would be in the black. According to the *Financial Review*, the Opposition Leader outlined a 10-year timetable in which he promised to return the budget to a strong surplus of one per cent of GDP, by which time there may have been three more elections.

Need to cut deep

According to a report in *The Age*, the Coalition will have to make swinging cuts to government programs if it is to implement **Tony Abbott**'s ten-year economic plan promising smaller government but massive new spending for defence, paid parental leave and the private health insurance rebate, economists say.

Spending gap

According to a report in the *Financial Review*, **Tony Abbott** has opened up a big spending gap on Labor with his commitment to lift defence spending to two per cent of gross domestic

product and spend an extra \$35.5 billion over 10 years. Mr Abbott made the pledge to boost defence spending from 1.59 per cent of GDP to 2 per cent of GDP over 10 years at his policy launch. Analysts are divided over whether the target is achievable, given the structural pressures on the broader budget and Mr Abbott's reluctance to increase the tax take. Government sources insist the Coalition was only catching up to Labor's 2013 Defence White Paper commitment, but Prime Minister **Kevin Rudd** has declined to match it.

Under fire

One of former treasurer **Wayne Swan**'s toughest critics has turned on the Coalition, saying that Australians should be alarmed by the possibility an Abbott government would take a decade to return the budget to a strong surplus. According to the *Financial Review*, **Stephen Anthony**, head of Canberra-based budget forecasting firm Macro-economics, said the opposition's fiscal strategy was 'very troubling' given what he described as a 'complete and utter lack of detail'.

Paid parental leave

According to *The Age*, paid parental leave is a recent arrival to the federal policy agenda. At the last election Australia was one of only two members of the OECD without universal paid parental leave, the other being the United States. That changed in early 2011 when Labor introduced a relatively affordable scheme that pays working mothers the minimum wage for 18 weeks after the birth of a child. Now **Tony Abbott** has promised Australia one of the world's most generous parental leave policies.

The details

Every working mother in Australia will secure six months' leave on full pay when they have a baby from 1 July 2015. It's a generous scheme that will also deliver dads two weeks' paternity leave at their actual salary and mothers up to 26 weeks on full pay. The cost will be \$5.5 billion a year, to be funded by a levy on big business and savings elsewhere.

Parental Leave revolt

Tony Abbott faces a post-election revolt over his paid parental leave scheme, with one Liberal state refusing to help fund it and federal Nationals MPs threatening either to vote against it or to use it as leverage to win extra funding for the bush. Meanwhile, according to the *Financial Review*, some of Australia's most prominent women voices support **Tony Abbott**'s controversial paid parental leave scheme but they warn it will not have the desired productivity uplift unless child-care is made less expensive.

According to the *Financial Review*, economists and business groups have expressed alarm at the Coalition's \$5.5 billion-a-year paid parental leave scheme, saying it will exacerbate the budget's structural decline and hamstring the companies that will be levied to partially fund the scheme.

Jeff Kennett has declared that **Tony Abbott**'s paid parental leave scheme is an 'extraordinary extravagance' and must be means-tested, predicting that it will be manipulated by families who have a baby for the benefit of full pay without working rather than because they want one.

Parental leave (2)

According to the *Financial Review*, **Tony Abbott** should pay for his \$5.5 billion-a-year paid parental leave scheme using consolidated revenue, not a new levy on the 3,000 largest companies, says a group representing some of Australia's biggest resources companies.

Parental leave (3)

According to *The Age*, one in seven Melbourne child-care centres has no vacancies, forcing some parents to wait more than a year for a place, yet neither Labor nor the Coalition has so far outlined how they will fix the child-care crisis which is hampering women's workforce participation. Australian Chamber of Commerce and Industry chief **Peter Anderson** said that child-care had 'become much less visible in the political debate' because of all the focus on **Tony Abbott**'s generous paid parental leave scheme.

Countering

According to *The Australian*, the Coalition countered **Kevin Rudd**'s most potent political attack by releasing official Parliamentary Budget Office costings that show **Tony Abbott**'s controversial paid parental leave scheme will actually make money for the budget over the next four years.

Mothers will pay

Mothers themselves will pay almost a third of the net cost of the Coalition's policy to boost the paid parental leave scheme, judging from costings of a similar policy by the Parliamentary Budget Office. According to *The Age*, the budget office's costing of the Greens' policy, on broadly similar lines, finds that in 2016-17, when the Coalition's plan is in full operation, parents would receive \$3.78 billion in net increased benefits, but pay back \$1.12 billion in higher income tax, tax on superannuation contributions, and lower family assistance benefits.

Musings

In the *Herald Sun*, **Terry McCrann** wrote: 'the fully costed paid parental leave puts Labor in a spin.'

Oligopoly

According to a report in *The Australian*, Opposition finance spokesman **Andrew Robb** says that Australians should not be opposed to creating national champions in key industries provided they comply with competition laws, claiming that Australians need to accept that the nation is an 'oligopoly economy'. Mr Robb – an ex-Liberal Party director who had significant roles in the private sector, including working for the Packer family, before returning to politics – said it was important that Australian companies were allowed to expand to achieve 'critical mass'.

Cold on spending

According to the *Financial Review*, the head of one of Australia's top business groups has expressed doubts about how quickly a Coalition government would balance the budget. **Peter Anderson**, chief executive of the Australian Chamber of Commerce and Industry, will release a blueprint of more than 100 priorities for the next government, including tax reform, asset sales to fund infrastructure, and workplace law changes. With the campaign now at its mid-point, ACCI wants to keep the economy at the centre of the debate.

Fair contracts

The Coalition will give small business unprecedented protection in negotiations with larger companies and the ability to challenge unfair contracts. According to the *Financial Review*, the move, included in the Coalition policy released recently, will anger big business, which fought hard to kill off the plan in 2009. The then Rudd government scrapped the plan after lobbying by big companies which said the introduction of remedies for unfair contract terms in standard form contracts would create too much uncertainty. Opposition small business spokesman **Bruce Billson** defended the revived policy, which is likely to gain the support of the minor parties, these being keen to curb the power of retailers such as Coles and Woolworths.

Eminent costings

Joe Hockey has appointed a panel of eminent persons to assess independently the Coalition's spending and saving promises to deflect government claims the opposition's budget plans won't be properly costed. *The Australian* reported that retired mandarin (senior Canberra public servant) **Peter Shergold**, economist **Geoff Carmody** and former Queensland auditor-general **Ken Scanlan** will assess the Coalition's costings to be released in the last week of the campaign.

According to *The Age*, Opposition treasury spokesman **Joe Hockey** has claimed that the Coalition's election promises will be subject to rigorous objective external assessment, even if they will not be released to voters until just before polling day. The same paper's **Mark Kenny** noted that the Coalition's delay will be 'leaving voters just hours to digest the numbers.'

Pressure

The Coalition will try to defuse Labor attacks over its refusal so far to disclose detailed policy costings until the final few days by releasing a fully costed paid parental leave policy this week and a statement explaining the 'comprehensive' processes it has used to cost other policies.

Torpedoed

According to the *Financial Review*, Treasury, the Finance Department and the Parliamentary Budget Office have rejected figures cited by Labor to accuse the Coalition of a '\$10 billion fraud' in its claimed budget savings of \$31 billion. In an unprecedented move, and a blow to Labor nine days out from the election, Treasury secretary **Martin Parkinson** and Finance secretary **David Ture** released a statement saying that it was wrong to use their analysis to discredit the Coalition's numbers. They said that the numbers their departments produced for Labor were based on different assumptions that would 'inevitably generate different financial outcomes'.

Not revealing

According to *The Age*, pressure is mounting on **Tony Abbott** and Treasury spokesman **Joe Hockey** to unveil their spending and savings proposals in light of an independent Treasury/Finance snapshot projecting \$58 billion of combined deficits over the next three years, before a small surplus. The state of the Commonwealth balance sheet was outlined in the Pre-election Economic and Fiscal Outlook document prepared by officials in accordance with the Charter of Budget Honesty. Its publication has sharpened the case for the Coalition to tell voters, finally, how it intends to account for its spending proposals and what

impact they will have on the bottom line.

Musings

In *The Age*, **Tim Colebatch** wrote that there is 'uncertainty as Abbott holds out on economy'.

Surplus date

According to a report in the *Financial Review*, the federal Coalition will go to the 7 September election refusing to say when it will return the budget to surplus, claiming the key numbers in Treasury's final pre-election budget update are too volatile to trust.

Limbo?

The Coalition has failed to say whether it will go ahead with more than \$8 billion of infrastructure projects, including vital freight links, raising questions about whether it plans a major shift in infrastructure priorities or whether it may use the funds to fill a growing hole in the cost of election commitments. According to a report in the *Financial Review*, the revelation comes as a major economic forecaster estimates the Coalition has to find another \$30 billion over four years to fund its pledges to date.

The \$8 billion of infrastructure projects have already received funding in the federal budget

But while Opposition Leader **Tony Abbott** has confirmed that the Coalition would go ahead with some projects funded in the budget, like the Swan Valley by-pass, there are \$8 billion of projects whose future is unclear. In his budget-in-reply address in May, Mr Abbott committed to implementing only those budget spending measures he specified.

Short

There is a gap of almost \$30 billion between, on the one hand, the size of the tax cuts and new spending the Coalition has promised and, on the other hand, the savings it has unveiled so far. Such is the conclusion of leading economist **Saul Eslake**. According to *The Age*, in a 34-page review for clients of how a Coalition government might change economic management, Eslake, chief Australian economist for Bank of America Merrill Lynch, also highlights the potential for 'significant and ongoing tensions' in an Abbott government between its 'genuine economic liberals', such as shadow treasurer **Joe Hockey**, and those who are 'more sceptical about markets ... including in many cases **Tony Abbott** as prime minister'.

This last observation accords with the assessment of **Peter Van Onselen** in *The Australian*, that 'economic liberalism will struggle to gain ascendancy' in any government that Mr Abbott leads. 'Some within Liberal Party ranks worry the combination of Abbott's lack of economic reforming instincts ... with the maverick influence of the Nationals' **Barnaby Joyce** will lead to a shunning of difficult reform.'

Musings

According to **Paul Kelly** in *The Australian*: 'Abbott's tactic is to demonise the Greens and to delegitimise Labor by virtue of its ties with the Greens. For Labor, the shocking thing is that Abbott is right on both counts. Labor must do preference deals of sorts with the Greens because keeping upwards of 80 per cent of Greens preferences is critical to Labor winning government. Yet as many senior Labor figures concede and as Abbott knows, Labor's association with the Greens is a toxic negative that alienates many of its supporters.'

Jennifer Hewett remarked in the *Financial Review*: '**Tony Abbott**'s approach is predicated on three years of fixing up the worst of Labor's mistakes while waiting for the prospect of a second term to make enduring changes.'

Close the gap

Tony Abbott has declared that fixing Australia's greatest 'national failure', dire indigenous disadvantage, will be one of his personal priorities if he wins office, and has secured the agreement of former ALP president **Warren Mundine** to deliver generational change. An Aboriginal leader who once hated the Opposition Leader's 'Tory politics,' Mundine has agreed to head a super advisory board on indigenous spending, projects and policy, reporting directly to the prime minister, if a Coalition government is elected.

Another prominent Aboriginal figure, **Noel Pearson**, has been sharply censured by Labor senate candidate **Nova Peris** for having supported the Northern Territory intervention policy, which the Howard government devised near the end of its existence, and which the ALP after 2007 kept intact. Ms Peris was in turn rebuked by the Coalition's indigenous affairs spokesman **Nigel Scullion**, who accused her of being out of touch with 'strong women' in various indigenous communities who had favoured the intervention. Mr Pearson is on record as having told *The Australian* that 'only a highly conservative leader can deliver the change' necessary for improving Aborigines' overall situation.

Trade Portfolio

The Nationals will be stripped of the trade portfolio in government for the first time in almost 60 years because they are deemed too protectionist to spearhead an aggressive free trade and foreign investment agenda planned by Liberal leader **Tony Abbott**. The decision, which has the approval of the Nationals' leader **Warren Truss**, has angered other Nationals who feel that the minor Coalition partner is being increasingly sidelined.

Sophie's fight

The 2013 campaign for Indi is a different kind of election battle, as **Sophie Mirabella** fights to keep her seat from the clutches of a popular local independent, **Cathy McGowan**. Ms Mirabella holds Indi by a margin of 9 per cent and her primary vote is likely to remain strong, particularly with a national swing to the Coalition and **Tony Abbott**.

Under siege?

According to the *Financial Review*, **Sophie Mirabella**, the opposition industry spokeswoman, won't talk about opponents in her north-east Victoria electorate of Indi or countenance the possibility that she may be in trouble. 'I'm not focused on other campaigns,' Mirabella said in her adopted home town of Wangaratta. But you can be sure a high-profile prospective member of a **Tony Abbott** cabinet is mindful of a challenge by a quality home-grown opponent. Independent **Cathy McGowan**, a small farmer and business consultant with deep family roots in the electorate, is spooking a sitting member who is regarded by many of her constituents as an outsider.

Charity watchdog

According to *The Age*, if **Tony Abbott** is elected prime minister he will abolish the watchdog established by Labor to keep an eye on the billions of dollars received and spent

by Australian charities each year. Why? The answer, in part at least, may be the lobbying power of church conservatives, the Catholic Church in particular, and the office of Sydney Cardinal **George Pell**, more particularly still. And their focus has not been the Coalition alone. Labor insiders acknowledge the impact of Cardinal Pell's office as it reduced the scope of its new national regulator, the Australian Charities and Not-for-Profits Commission.

Website shame

According to *The Age*, the Liberal candidate at the centre of a controversy over offensive comments on a web forum has quit, but his name will still appear on the ballot papers. Opposition Leader Abbott had signalled he would consider **Kevin Baker**'s future as the candidate for the Labor-held seat of Charlton after Mr Baker came under fire for running a car enthusiasts' website that included racist comments and distasteful remarks about women.

Tony's thoughts

In the *Financial Review*, **Tony Abbott** said that he has a plan to emulate the success of the Reagan, Thatcher and Howard governments in attracting a broader support base. 'The one thing I have so far managed to maintain is personal control over the speech writing process, mate, I just think that in the end words that come out of your own mouth have to be your own.'

T-shirts

According to *The Age*, the Victorian Liberal Party has asked members to wear T-shirts depicting a raised fist on election day, similar to logos used by revolutionary groups. While it originated with the left as a symbol of solidarity and struggle, it has also been used by the populist anti-big-government Tea Party movement in the United States. The Liberal Party's state director, **Damien Mantach**, asked for comment and clearly miffed that Fairfax had uncovered the party's revolutionary ambitions before the big day, would not comment. **Nick Economou**, a senior lecturer in politics at Monash University, said the T-shirt, which shows a blue clenched fist holding a paintbrush and bearing the slogan "Paint the town blue", was not a good look.

Spotlight pledge

Tony Abbott has vowed to launch an inquiry into the home insulation program rolled out at the height of the global financial crisis, in a bid to shine a spotlight on **Kevin Rudd**'s record during his first prime ministership.

Pauline

One Nation leader **Pauline Hanson** has a real chance of returning to Federal Parliament after 13 small right-wing parties put her high on their tickets for the NSW Senate. **Ean Higgins**, in *The Australian*, recently described her thus: 'Nearly two decades after [she] stormed on to the political stage with an anti-immigration message, she claims the One Nation faithful are returning to her as "people see I have not given up." ... Ms Hanson announced in June that she would run, having reunited with the One Nation party [which] she founded in 1996 but which ousted her in 2002 as the party descended into internal warfare.'

Industrial relations & employment

Red tape burden

According to *The Australian*, the Coalition's proposed inquiry into the Fair Work Act will

investigate whether the laws have increased the red-tape 'burden' on business. Opposition workplace relations spokesman **Eric Abetz** has confirmed that the inquiry, to be carried out by the Productivity Commission if the Coalition wins the election, would also investigate the issue of whether the laws were flexible for business. But Senator Abetz has refused to agree to a union call for the opposition to release the specific terms of reference for the inquiry before the 7 September poll.

Workplace memories

Memories of the 2007 electoral loss – in which **John Howard** became only the second Prime Minister to lose his seat – are ensuring that, as **Mark Skulley** observed in the *Financial Review*, 'the Coalition is treading softly on workplace laws.' **Tony Abbott** hopes to defuse such memories by saying that 'workplace policy will shift back to the "sensible centre"' under any government which he leads. This nevertheless hasn't stopped him from vowing to crack down upon union-friendly workplace deals involving government-funded, nation-building infrastructure projects, as described in *The Australian*.

457 Ads

The country's leading construction union will spend \$1 million over the election campaign on a national advertising campaign that portrays the Coalition as wanting to 'massively expand' the 457 temporary visa program. The Construction Forestry Mining and Energy Union's campaign includes television advertisements that started screening on free-to-air networks in Queensland and Tasmania.

Meanwhile, *The Australian* reported that **Kevin Rudd** 'has fuelled the debate over foreign ownership in a pitch to regional Australian that includes dramatic tightening of restrictions on overseas investors buying agricultural land, and a crackdown on the treatment of farmers by Coles and Woolworths.' His government has already failed to grant approval to **Gina Rinehart**'s bid to import up to 1,700 foreign workers as part of her \$9.5 billion iron ore project in Western Australia.

AWU Inquiry

According to the *Financial Review*, former prime minister **Julia Gillard** would likely be caught up in a judicial inquiry into an alleged union slush fund which she helped establish for her former boyfriend 20 years ago if the Coalition wins the federal election. The inquiry is part of a promised broader Coalition crackdown on union finances and governance. –Coalition workplace spokesman **Eric Abetz** has denied union suspicions that the labour movement would face a full-blown royal commission.

IR laws and productivity

The Australian announced that employers 'have failed to achieve productivity trade-offs in almost nine out of 10 workplace deals struck in the resources sector under Labor's workplace laws. A survey of resource companies by the Australian Mines and Metals Association also found 75 per cent believed their productivity levels had fallen because of the Fair Work Act.'

Apprentice pay rises

Employer groups have criticised the Fair Work Commission for pay rises of \$70 to \$100 a week for many first and second-year apprentices and substantial increases for adults

who take up apprenticeships. According to the *Financial Review*, business groups said trades such as building, plumbing and electricians would be hurt by the increases, and hairdressers and butchers and bakers employed on retail awards. Australian Chamber of Commerce and Industry employment and training director **Jenny Lambert** said that the decision was further evidence of the industrial relations system having swung too far in favour of unions.

Boost for tradies

The ALP has promised that if **Kevin Rudd** wins the election, apprentices would receive an extra \$500 each in order to buy tools for their work.

Musings

Andrew Stewart, professor of law at the University of Adelaide, wrote in the *Financial Review* 'the workplace "debate" has been reduced to a slanging match.'

Youth crisis

Youth unemployment has surged since Labor won power, with 43,000 more young Australians now on the dole. According to the *Herald Sun*, the number of 16 to 21 year olds living on unemployment benefits has hit 110,830, up 63 per cent since June 2007, before **Kevin Rudd** swept into office promising Australians job security. Part of the increase comes from the government's decision last July to count 21 year olds as Youth Allowance recipients, rather than Newstart recipients.

Coalition plan

An Abbott government would try to cut long-term unemployment by paying young people who have been out of work for a year or more up to \$15,500 if they get and keep a job. But according to *The Age*, experts say the money would be better spent helping businesses to take on long-term job seekers.

War chest

According to *The Australian*, the ACTU has signalled a new election campaign battlefront, urging the major parties to commit to reforming the Fair Work system and backing this up with a multi-million-dollar 'air and ground' campaign bolstered by social media. ACTU president **Ged Kearney** and secretary **Dave Oliver** told *The Australian* in a joint interview that Labor's workplace agenda was unfinished, and a Coalition government would threaten workers' wages, employment security and workplace rights.

Direct talks spurned

Unions rejected a last-minute offer of direct talks with the Coalition on workplace policy, made during part of a hitherto secret exchange of letters just before the federal election was called.

Ridiculed

A Coalition pledge to subject misbehaving union officials to the same penalties as company directors has been branded 'ridiculous' by ACTU president **Ged Kearney**.

Spin out

According to the *Herald Sun*, Labor candidates' roles in militant unions have been left off their official election campaign biographies. The candidates are among almost 20 on both sides of politics whose party bios do not detail union positions or jobs with potentially unpopular

federal MPs, contain exaggerated work credentials, or mislead voters on where they live.

Business, economy, manufacturing & finance

Rates

According to *The Australian*, Australia's slowing economy may convince the Reserve Bank to cut interest rates to a new historic low this year, but not in time to help Labor's flagging electoral chances.

Better off?

According to a report in *The Age*, the Gillard government oversaw the smallest increase in cost of living of any Australian government for at least 25 years despite the introduction of the carbon tax, a study has found. Moreover, Australian households have seen real incomes – disposable income minus cost of living increases – rise 15 per cent since just after Labor took office, giving the average household a \$5,324 a year boost, or \$102 a week. The results of the survey by the University of Canberra's National Centre for Social and Economic Modelling go much of the way to answering the question Opposition Leader **Tony Abbott** has asked throughout the election campaign.

Carbon tax showdown

The ALP, according to the *Financial Review*, has declared its eagerness to call **Tony Abbott**'s bluff over the carbon tax and force him to call a double-dissolution election, which he has vowed to do if he wins the 7 September poll in the House of Representatives but is blocked by the Senate. Mr Abbott had demanded that he be allowed to abolish the carbon tax if the Coalition is victorious.

A separate *Financial Review* piece reported that the Coalition says \$5.6 billion can be saved in the budget by junking the carbon tax and associated business compensation procedures. Shadow Treasurer **Joe Hockey** also announced other cost-cutting measures, which, in total, amounted to around three-quarters of the Coalition's planned budget savings.

Monopolistic

According to the *Financial Review*, investment banker and government adviser **Mark Johnson** labelled Treasury a 'monopoly' and not subject to the same competition as business, as he urged greater contestability in formulating finance sector policy. Mr Johnson said that the Productivity Commission was under-utilised by governments. He called, in the long term, for the establishment of a new institution to co-ordinate savings, investment and tax policy to improve the efficiency and global competitiveness of the finance sector to benefit the wider economy. 'The Treasury has a monopoly and is not exposed to the competition the rest of us are exposed to. Monopolies do not always necessarily see priorities that the rest of the community see'.

Economy to lift

Wesfarmers boss **Richard Goyder** is hoping the federal election will usher in a new era of pro-business policy that recognises the role of companies in creating wealth and jobs. According to *The Australian*, speaking after the parent company of Coles supermarkets reported a net profit of \$2.26 billion for the 12

months to the end of June, Mr Goyder said he was hopeful that an end to political uncertainty would help buoy consumer spending after the election.

Warning

Treasury has sounded a dire warning that the budget could be in far worse shape than the government's economic statement suggests, with revenue possibly falling much lower and spending rising higher. According to *The Australian*, in releasing its independent assessment of the budget, Treasury kept economic and revenue forecasts almost identical to those contained in the government's economic statement, but included a much fuller discussion of the risk that these estimates might be wrong.

FBT changes

Ford has blamed **Kevin Rudd**'s \$1.8 billion fringe benefits tax overhaul for halting production, forcing at least 750 workers to be stood down in rolling stoppages that will further imperil Labor's chances of retaining the nation's most marginal seat. Work at Ford's key Australian plants in Geelong and Broadmeadows was shut down as car buyers flee the market in the wake of the FBT overhaul. The shutdowns are part of six planned FBT-related stoppages at the Victorian plants, which produce the soon-to-be-defunct Falcon and Territory cars.

Car industry

Kevin Rudd will unveil a \$500 million boost to car industry funding to the end of the decade and promise \$300m a year beyond 2020 as Labor seeks to turn the 7 September election into a 'referendum on the future of the car industry'. The announcement comes as Labor fights to hold the ultra-marginal Victorian seat of Corangamite based around Geelong, which has been hit hard by Ford's announcement that it will cease Australian manufacturing operations in 2016.

Car industry (2)

According to *The Age*, a re-elected Labor government would pump another \$500 million into the country's ailing car industry from 2016 to 2020 and hundreds of millions over the subsequent decade. The commitment is designed to secure the medium-term future of General Motors' Holden operation and the Australian arm of Toyota. But at least some of the new money will also help keep Ford's research and development plant at Broadmeadows working until the last day of operation at the end of 2016.

Housing

The chief executives of Australia's struggling building products manufacturers have warned the hoped-for recovery in housing construction is proving patchy and they are weighed down by high costs and an outdated industrial relations system. Boral, Fletcher Building, CSR and Adelaide Brighton have been forced to cut thousands of jobs, close plants, write down equipment, and lower production, in response to a construction industry in the doldrums despite record low interest rates, a rising population and state government incentives.

IPA Support

Some of the world's largest companies have dropped financial support and membership of free-market think tank the Institute of Public Affairs amid concern at its vociferous

campaign against action on climate change. According to a report in *The Age*, petroleum giants ExxonMobil and Shell and large miners are among the multinationals that have confirmed leaving the Liberal-linked IPA, led by party member **John Roskam**, who this year was compared to Jesus Christ with his disciples by Opposition Leader **Tony Abbott**.

Despite the loss of this support, the paper revealed the IPA is now Australia's wealthiest private think tank after a surge in donations and fund-raising from individuals that helped it double its revenue in just four years. And it is expected to be an important player in the event of an Abbott government, pushing the Coalition to take a harder line on issues – privatisation of the ABC is a key one – as part of its strategy of shifting public debate towards the free market and libertarian causes it promotes. 'We stretch the boundaries of what's possible,' Mr Roskam said. '**Tony Abbott** will not privatise the ABC, but we will talk about privatisation of the ABC because we believe in it, our members want us to; and because it stretches the boundaries.'

Slump

According to a report in *The Australian*, indigenous communities and some urban areas of extreme 'social dysfunction' around the country will be hardest hit by faltering conditions in the economy as the nation enters a period of uncertainty. Treasurer **Chris Bowen** signalled the national unemployment rate was set to climb above six per cent by the middle of next year but Census data provides context for the rate, revealing the suburbs and regions where the proportion of jobless is up to ten times as high.

Musings

Jennifer Hewett in the *Financial Review*, 'The idea that either side can guarantee a semi-painless return to budget surplus a few years hence clearly belongs in economic fantasy land.'

In *The Age*, **Malcolm Maiden** wrote: 'There is a generally held belief that a Coalition election victory will lift business confidence and business conditions out of the cellar they sank into this year as the Labor government tore itself apart. The trouble is, business conditions are actually not in the cellar. They are subdued, but are nowhere near recession levels.'

Mining

Boom state

According to the *Financial Review*, Western Australia, the epicentre of the resources boom, is forecasting rising debts for the foreseeable future that threaten its AAA credit rating and has led the government to impose –austerity budget measures. The Barnett Liberal government's budget included a forecast surplus of only \$386 million this financial year, a deficit in the following year, and spending cuts that will hit public service employment.

Over?

According to *The Australian*, on the hustings and in his campaign ads, **Kevin Rudd** has been calling the mining boom over. 'The truth is in 2013 the China resources boom is over,' the Prime Minister said on July 11. At a Leaders' Debate: 'The truth is, with the ending of the decade-long mining boom, we face new economic challenges.' The paper reported that at almost any media opportunity, the mantra is repeated. Ever since returning as PM, the price

of iron ore – Australia’s biggest export by a big margin – has not looked back as Chinese steel-makers frantically restock.

But....

Wesfarmers chief executive **Richard Goyder** has rejected speculation that the resources industry is facing a bleak future, declaring that Australia remains in a ‘very strong position’ to supply commodities to fast-growing Asian markets in the years ahead. According to *The Australian*, his comments came after Prime Minister **Kevin Rudd** said on the campaign trail this month that he believed the China-fuelled resources boom was over.

Wisdom

Bruce Teele and his long-time colleague and former BHP Billiton chairman **Don Argus** are two 75-year-olds with a combined 61 years of experience. Both men are soon to step down from the board of our largest listed investor, Australian Foundation Investment Co. They both have been debating the ills of Australia Inc – and there’s a lot to be concerned about. A great article in *The Australian*.

Trade

Full-page ads

The Age has run a full-page advertisement placed by the Australian Retailers’ Association, the Master Builders’ Association, the Australian Newsagents’ Federation, and the Council of Small Business Of Australia, lodging a protest against cross-subsidising actions by supermarket chains. ‘As four organizations representing two million Australian businesses and the five million staff they employ, we implore the major political parties to pledge their support to ensure that Woolworths’ and Coles’ fuel docket discounts are not misused. Mr Rudd and Mr Abbott, will you support Australian small business and stop supermarket chains cross-subsidising their fuel stations?’.

Refugees

Harsh line

According to *The Australian*, authorities believe there are about 10,000 asylum-seekers in Indonesia seeking to come to Australia by boat and who still pose a major challenge to **Kevin Rudd**’s Papua New Guinea Solution. But a massive public outreach campaign conducted by the International Organisation for Migration since the new government policy was announced on 19 July is believed to have reached at least 3,000 of those potential arrivals, many of whom are delaying or reconsidering

their plans to come to Australia.

Working?

According to *The Age*, tough policies preventing settlement in Australia appear to be deterring asylum-seekers, with signs of boat arrivals tapering off and reports of people demanding refunds from people smugglers. Immigration Minister **Tony Burke** said that large numbers of asylum-seekers who had paid upfront for passage to Australia were demanding their money back from smugglers.

Swamping

According to *The Australian*, people smugglers are attempting to overwhelm the Papua New Guinea Solution and test Labor’s resolve, Immigration Minister **Tony Burke** has conceded, as boats continue to make the dangerous voyage to Australia. As survivors of the latest maritime tragedy reached Christmas Island recently, **Kevin Rudd** again warned that his border-protection policy would ‘take time’ to work.

Also according to *The Australian*, **Kevin Rudd**’s plans to halt the influx of asylum-seekers are buckling under the weight of nearly 3000 new boat arrivals and the failure of his regional people-smuggling summit to produce any concrete measures, as another five people drowned off Christmas Island.

Five drown

According to *The Australian*, traumatised survivors of another fatal asylum boat journey will be delivered to Christmas Island after being rescued by the Australian navy in the third tragedy at sea in five weeks. The 106 survivors are due to be taken off HMAS Parramatta, the frigate that rescued them from their sunken vessel about 120 nautical miles north of the Australian territory. Up to five people are feared drowned.

PNG fears

Kevin Rudd’s plan to house thousands of asylum-seekers in tents on Manus Island (part of Papua New Guinea) would be beyond the capacity of Papua New Guinea to deliver, according to its most senior immigration official, who remarked ‘God help us’ when he was briefed on the plan.

Labor’s PNG solution was ‘unravelling’, said Coalition immigration minister **Scott Morrison**, after PNG Prime Minister **Peter O’Neill** denied the two central elements of Prime Minister **Kevin Rudd**’s tough new asylum-seeker policy – that PNG will settle all those determined to be

refugees, and that none will end up in Australia. Mr O’Neill said he had not agreed to settle all asylum-seekers who are found to be refugees after processing on Manus Island, and also commented that Australia would need to take back a share of them.

Doubts

According to *The Australian*, legal experts have challenged the Coalition’s plan to cut through a backlog of about 30,000 asylum claims by unpicking Labor’s refugee review process and stymieing opportunities to appeal negative assessments through the courts. While the legal fraternity cast serious doubt over the policy, asylum-seeker advocates and charity groups labelled the proposed shift of 30,000 asylum-seekers already in Australia on to temporary protection visas ‘unspeakably cruel’ and ‘vindictive’.

Big scheme

Opposition Leader **Tony Abbott** and immigration spokesman **Scott Morrison** said that a Coalition government would ramp up its spending on Australian Federal Police special operations personnel. They would operate in Indonesia, Malaysia and Sri Lanka and work with regional intelligence units to stop asylum-seekers from getting on boats for Australia. Australian forces would also work with their counterparts in villages in countries of origin for asylum-seekers and transit countries to stop the exodus. ‘If we can stop people coming and transiting through the region, we can stop them coming to Australia,’ Mr Morrison said.

Advertising investigation

The Auditor-General **Ian McPhee** has been urged to launch a fresh investigation into whether the Rudd government has misused taxpayer funds and breached the caretaker convention in persisting with its anti-people-smuggling advertising blitz.

Boat buyback

Opposition Leader **Tony Abbott**’s plan to buy boats from Indonesian fishermen to prevent the vessels being used by people smugglers has been slammed by Jakarta as unfriendly and an insult to Indonesia. According to *The Age*, the plan has met with heavy resistance in Jakarta, with a senior member of President Susilo Bambang Yudhoyono’s ruling coalition saying that it showed Mr Abbott lacked understanding of Indonesia, and also understanding of the broader asylum-seeker problem.

Refugee reports

The Coalition may stop reporting how many people arrive by boat in Australia to claim

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asylum if it wins the election. According to a report in the *Financial Review*, shadow immigration minister **Scott Morrison** said any decision on keeping the public informed on the number of arrivals would be up to the three-star army general the Coalition would put in charge of border protection operations. 'I would consider that an operational matter,' Mr Morrison said. 'It is the type of issue on which you would take operational advice.'

Musings

In *The Age*, **Daniel Flitton** and **Michael Gordon** wrote that 'the future for asylum-seekers arriving by boat looks bleak no matter who wins government.'

Tax

GST red tape

According to the *Financial Review*, **Kevin Rudd** will make a bold pitch for the small business vote by promising to cut their GST returns from quarterly to once a year.

GST future

According to the *Financial Review*, **Tony Abbott** has tried to shut down the GST debate that has dogged his campaign, but key Coalition figures continue to suggest that increasing the tax would be part of a post-election tax review and could be taken to voters at a 2016 poll.

GST row

The business community has stepped up calls for **Tony Abbott** to abandon his paid parental leave scheme, saying the company tax rise required to fund it – sullies his election promise to cut the corporate tax rate by 1.5 percentage points for all businesses.

Online push

Opposition leader **Tony Abbott** and shadow treasurer **Joe Hockey** have insisted there will be no change to the GST in its first term ahead of a wider tax review, which could produce policy proposals for the next election. According to the *Financial Review*, Victoria, NSW and Queensland have vowed to press for more immediate change to the tax's design and its distribution to the states.

PM fesses up

Kevin Rudd says **Julia Gillard** never had a mandate for the carbon tax. His surprise admission came as a new Galaxy Poll showed voters in Victorian marginal seats think the Coalition is more likely to keep election

promises than Labor. Mr Rudd 'I don't think our actions on the carbon tax were right. That's why I changed it and moved towards a floating price.'

Tourism

Camp crisis

According to *The Age*, there is a resurgence in caravanning, with increasing numbers of recreational vehicles on the road. There are 474,000 RV's registered in Australia, including caravans, pop-tops, camper trailers and those self-contained, ultra-luxurious motor-homes with solar power, leather interiors, flat-screen TVs and fully equipped kitchens. RV registrations increased by 14.7 per cent between 2008 and 2011, according to the latest figures from the Caravan, RV and Accommodation Industry of Australia.

The caravanning boom, though, is creating a crisis, according to research from Southern Cross University. It warns that as more RVs hit the road, older-style caravan parks are simultaneously closing at an alarming rate, selling out to property developers who are building apartments and hotels on prime parcels of land next to rivers and beaches.

Gaming

New policy?

An Abbott government would scrap a trial of controversial measures designed to curb problem gambling on Australia's poker machines. According to *The Age*, earlier this month the Coalition released its problem gambling policy, which focuses on improving counselling for problem gamblers as well as gradually introducing voluntary pre-commitment and banning online bookmakers from offering credit. Chairman of the Churches Gambling Taskforce **Tim Costello** was 'very disappointed and disturbed' by the policy.

Debt paying

According to the *Financial Review*, the NSW Coalition government is likely to proceed with a first-in-Australia plan to sell part of the state's lotteries tax revenue after it privatises the Port of Newcastle and its remaining power station assets. Treasurer **Mike Baird** said the government had done 'significant due diligence' on the deal, including determining market interest in buying the right to part of the \$350 million the state makes each year from a tax on NSW Lotteries 'scratchies' and tickets.

Tom's payday

According to *The Age*, **Tom Waterhouse** will remain the face of his online betting business

– for now – after it was bought by the British gambling powerhouse **William Hill** for far less than initially expected.

Climate change, environment & energy

Price wars

Origin Energy chief executive **Grant King** says the electricity price war is unsustainable, signalling that the industry would reduce cut-price retail power offers after heavy discounting made a \$150 million dent in the energy company's full-year profit. According to the *Financial Review*, revealing a 15 per cent drop in underlying net profit for 2012-13, Mr King said small retailers in particular were hurting in the ultra-competitive market and pointed to signs discounting would slow.

Big hole

The Coalition will need to spend \$4 billion more than it has budgeted under its direct-action climate policy to meet Australia's minimum 5 per cent emissions cut by 2020, new economic modelling has found. According to *The Age*, the results – drawn from analysis by consultants SKM MMA and Monash University's Centre of Policy Studies – find that under the Coalition plan Australia's emissions would increase unless more money was committed. The modelling – commissioned by a pro-carbon-pricing group, the Climate Institute – finds that by 2020 direct action will result in emissions 9 per cent higher than 2000 levels.

Reality?

Renewable energy such as wind, solar and hydro power could supply electricity at prices comparable to fossil fuels by 2030, according to a study commissioned by the federal government. According to *The Age*, modelling by the Australian Energy Market Operator shows that 100 per cent of power from clean energy would be technically viable by 2030 – although with a price tag ranging from \$219 billion to \$252 billion. But a of the report published this month without fanfare by the government has rekindled debate by stating that 100 per cent renewable power may cost no more than fossil fuels. Based on the operator's study and other modelling by Treasury, the CSIRO and the University of New South Wales, the summary concluded: 'Indicative wholesale electricity prices generally fall within a reasonably narrow range of around \$100-\$130 per megawatt-hour in 2030, and around \$110-\$150 per MWh in 2050.'

Parklands

If Labor wins the election, it will, it has announced, be prepared to claim federal

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oversight of national parks. These parks are currently being considered by anti-Labor state governments in NSW, Victoria, and Queensland as suitable sites for grazing, shooting, tourism development, and even logging.

Fishing grounds

According to *The Age*, recreational anglers have raised the spectre of a massive new lock-out from waters nationwide under a re-elected Labor government. Data pulled from proposals by a range of conservation groups suggests there could be at least a doubling of the 2.3 million square kilometres of ocean from which anglers are currently locked out, including many popular family fishing spots.

Fishing vote

Surrounded by hundreds of sun-blasted and salt-encrusted sport fishermen, **Tony Abbott** declared that a Coalition government would stop management plans for marine protected areas. According to *The Age*, Mr Abbott made the announcement surrounded by posters stating that the federal marine park planning process meant ordinary Australians faced the loss of their 'iconic fishing rights forever'. That included, the warnings stated, five million Australians who indulged in angling.

Clean energy

About \$4 billion in private funding would be sucked from Australia's solar power and renewable energy industries over the next three years if the Coalition wins government, confidential data obtained from banks and financial analysts shows. The Coalition's climate change plan is also about \$4 billion short of the funding required to meet its pledge for a five per cent cut in greenhouse emissions by 2020, and is instead on track for a nine per cent increase by then, according to analysis commissioned by the independent think-tank The Climate Institute. Although the Coalition rejects that analysis, major investors are planning for the impact if Opposition Leader **Tony Abbott** wins power and axes the carbon price and dismantles the clean energy finance system. They expect about \$4.1 billion in private funding would be directed away from large-scale renewable power – starving the sector of capital – due to regulatory uncertainty and a lack of solid returns.

Good job

The Department of Sustainability, Environment, Water, Population and Communities is looking for a Director of National Parks, a statutory appointment, Christine O'Donnell (02) 9087 6223.

Agriculture, cattle & water

Battle for the North

Kevin Rudd sparked a political battle over Australia's north by proposing a 10 percentage point –company tax cut for businesses that relocate to the Northern Territory and lower foreign investment hurdles. The policy, which means both major parties are committed to harnessing the economic potential of northern Australia, angered southern Liberal states. They believe such a large tax concession would distort the economy by sucking businesses towards Darwin while creating no extra jobs. West Australian Premier Colin Barnett warned of damaging investment implications for offshore oil and gas reserves in the Kimberley region.

Foreign ownership

According to the *Financial Review*, agriculture executives and senior corporate advisers have warned against tightening restrictions on foreign ownership, saying it would hurt farmers in the long term as capital flowed to other nations keen to cash in on a global food boom.

Media

Williams leaves

News Corp Australia chief executive **Kim Williams** has resigned after a tumultuous 20 months that involved a fundamental restructure of the business in the face of sweeping changes in the media industry. The company's executive chairman, **Rupert Murdoch**, has replaced Mr Williams with **Julian Clarke**, the former chairman of News's Herald & Weekly Times business in Melbourne.

Independent

Fairfax took out full-page advertisements in its papers stressing its independence. No doubt the Murdoch papers would present a different perspective.

Broadband & IT

Turnbull charged with 'me-too' mentality

Kate Lundy, the Minister Assisting for the Digital Economy, has hit out at what she calls a 'me-too' digital economy policy from the Coalition, above all from **Malcolm Turnbull**. She said that this policy was devoid of any details about assisting tech start-ups, and that it merely recycled ideas that were already being implemented. The policy document, as reported by the *Financial Review*, largely focuses on cutting waste in government technology procurement, enabling more citizens to deal with government departments online, and improving Australia's status on Internet-related OECD rankings.

Sorting out infrastructure, IT and otherwise

Henry Ergas, in *The Australian*, reported: 'Next year, Australians will invest an estimated \$2,000 each on public infrastructure, from roads and electricity poles to trains and the National Broadband Network. If the Coalition wins ... it needs to bring greater discipline to that spending, ensuring users and taxpayers get value for money. Creating a new department with responsibility for all Commonwealth infrastructure decisions should be part of those reforms.' The article's headline ran: 'Herculean task for Turnbull.'

Asbestos

According to *The Australian*, the troubled roll-out of the National Broadband Network is threatening to erupt into legal action as subcontractors facing financial ruin consider suing Telstra over the asbestos shutdown. Subcontractors in Western Australia and their branch of the Communication Workers Union will meet law firm Slater & Gordon after they went without pay for about twelve weeks because of work stoppages caused by reports of asbestos mishandling at NBN sites around the country.

Delays

Voters will be deprived of the latest forecasts for the cost and timing of the National Broadband Network before the election, as delays caused by potential asbestos contamination force

the government company rolling out Labor's flagship project to modify its business plan.

Network price

The Coalition is exploring different ways of charging for the national broadband network in a bid to lower prices for consumers and businesses if it wins government on 7 September. According to the *Financial Review*, Coalition sources indicated the party is looking at whether to keep NBN Co's existing wholesale price structure or introduce a new method, after shadow communications minister **Malcolm Turnbull** heavily criticised potential price increases under Labor's plan.

Missing target

According to the *Financial Review*, Labor's centrepiece infrastructure project, the national broadband network, will miss its June 2014 roll-out –target by more than a quarter of a –million homes, as construction delays and problems with subcontractors –continue.

Quitting

The exodus of experienced construction staff from the NBN Co has continued with three senior employees, including the company's head of commercial construction, recently quitting Labor's \$37.4 billion project. According to *The Australian*, senior managers from NBN Co's operations division intimately involved in the construction of the mammoth project have either resigned or, in one case, been placed on 'indefinite leave'.

Musings

In *The Australian*, **Kevin Morgan**, one of former ALP leader **Kim Beazley**'s telecommunications advisers, wrote: 'Arrogant Rudd hides NBN truth. The PM would have us believe the broadband network is thriving. It's not.'

Transport & infrastructure

Votes to be had

Infrastructure has emerged as a huge, yet generally underestimated, issue in the tight 2013 election battle for a pack of highly marginally seats, with the major political parties making unprecedented spending pledges to capture angry commuter voters.

Fast rail

The prospect of an east-coast high-speed rail line has re-emerged in the federal election campaign, with the Rudd government to pledge \$52 million for planning and corridor acquisition along a Sydney-Canberra-Melbourne route. According to a report in *The Age*, the rail line, running through Shepparton, Albury-Wodonga and Wagga Wagga, would connect Melbourne and Sydney by 2040, a new report from a high-profile advisory group says, and a re-elected Rudd government would introduce legislation to protect the corridor for fast rail. The government would set up a high-speed rail authority within six months to manage the project.

Musings

In the *Herald Sun*, **Terry McCrann** wrote: 'First the NBN and now a Very Fast Train. Is this Rudd's election SOS?'

Freight rail viable

According to the *Financial Review*, dedicated inland rail line for freight is now a much more

viable option which should be placed much higher on the infrastructure plans of both sides of politics, according to the Australasian Railway Association. While the inland freight line has long been dismissed as too expensive, the chairman of the ARA, former Labor finance minister **Lindsay Tanner**, said that an extensive investment program over the past five years by the federal government meant that large sections of the rail line had now been put in place. There was only an area in southern Queensland that needed to be addressed before the inland corridor could be completed.

Roads versus rail

Opposition Leader **Tony Abbott** says he wants to be known as an 'infrastructure prime minister' but according to the *Financial Review*, there are questions over whether the Coalition would continue with a range of projects announced by Labor.

Traffic

According to *The Age*, as 7 September draws closer, the main topic of conversation in **Safi Ullah's** taxi is the economy, and close to two-thirds of his passengers say they have more faith in the Liberal Party's ability to manage it. 'I would say 70 per cent of my passengers prefer the Liberal government at the moment,' says Ullah, who ferries passengers all over metropolitan Melbourne, from Gellibrand to Batman, from Hotham to Deakin and beyond.

Health

Tobacco

Kevin Rudd's election promise to make it illegal for any political party to receive funds from big tobacco has prompted a voluntary retreat by **Tony Abbott**. In a dramatic U-turn, the Liberal leader said the issue was a distraction, but revealed he would order his party to cease taking money from tobacco interests effective immediately.

Poverty plus

According to *The Australian*, the next federal government must commit to comprehensive tax reform and wind back middle-class welfare, including the Schoolkids Bonus (The Schoolkids Bonus aims to help eligible families and students with the education related costs of

primary and secondary school studies, such as school fees, uniforms, books and sports, music or other lessons. It replaced the Education Tax Refund, which means families and students no longer need to keep receipts for education expenses and claim them back at tax time) and the Extended Medicare Safety Net, within its first 100 days.

This is a demand from the nation's peak welfare lobby, the Australian Council of Social Services, which released its election wish list, which includes using the Henry tax review as the 'blueprint for reform' with nothing ruled out.

Weight warning

According to *The Age*, the Australian Diabetes, Obesity and Lifestyle Study of 11,000 adults over 12 years found that, on average, people aged 25-34 stacked on 6.7 kilograms – more than any other age group. For people aged 35-44, the average weight gain was 4.7 kilograms, followed by 2.7 kilograms for people aged 45-54 and 0.4 kilograms for those aged 55-64. While people over 65 lost an average of 2.1-4.5 kilograms over the 12 years, researcher and Associate Director of the Baker IDI Heart and Diabetes Institute Professor Jonathan Shaw said they were still expanding, with the average waist circumference increasing 0.8 centimetres to 2.7 over the 12 years.

Early on to live on

A medical debate has come to an end, with experts agreeing that men should start testing for prostate cancer in their 40s. According to a report in the *Herald Sun*, a new global consensus statement on prostate testing said men should have a PSA blood test in their 40s to predict their risk of developing the cancer. It said this test should be decoupled from treatment for prostate cancer, treatment which can lead to incontinence and sexual dysfunction.

Hospital a winner

The Royal Victorian Eye and Ear Hospital will get \$100 million for a redevelopment to mark its 150th birthday if the Rudd Government wins re-election. Health Minister **Tanya Plibersek** said that modernising Victoria's third oldest hospital would reduce outpatient waiting times and better meet demand for elective and emergency surgery.

Education

Gonski savings

The federal government will bank more than \$1 billion in budget savings as a result of three conservative leaders failing to sign up to the school funding reforms. According to *The Age*, the pre-election economic and fiscal outlook recently showed the Commonwealth has saved \$1.2 billion due to stalled talks with Queensland, Western Australia and the Northern Territory. The budget in May assumed that all jurisdictions would sign up to the so-called Gonski reforms, set to deliver about \$15 billion extra in combined state and federal funding over six years.

Of history wars

There has been, according to **Tony Abbott**, an excessive emphasis in the national school curriculum upon Left-wing politics. He charged the curriculum with having 'too great a focus on issues which are the predominant concern of one side of politics.' And he called for a 'rethink' on what the curriculum imposed. 'I think we're entitled to say, "could do better".'

TAFE status

Kevin Rudd has now threatened, according to *The Australian*, a federal takeover of the TAFE system, amid concerns about a funding regime to begin in 2014.

Training Centres

Labor has vowed to spend more than \$200 million on 137 new Trade Training Centres in a pledge that allows the party to spruik its skills plans in electorates throughout the nation. But the Coalition warned voters not to trust the promise, suggesting the price tag would blow out and the government was nowhere near fulfilling its 2007 election pledge to roll out such centres for all 2,650 high schools. According to a report in *The Age*, **Kevin Rudd** said that some schools had been able to pool together with a single Trade Training Centre. The 137 new sites would bring the total number of centres planned nationally to more than 500, supporting 1,290 secondary schools. Students would learn skills such as carpentry and joinery, metal fabrication, agriculture and horticulture.

High Court success

The Queensland father who won a legal fight against the national school chaplaincy program

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has launched his second challenge against the federal government in the High Court over a law that allows it to continue funding it and hundreds of other programs. According to *The Age*, the case targets a law which allows funding of a wide range of programs that comprise up to 10 per cent of federal expenditure, including accommodation for asylum-seekers offshore, the national counter-terrorism committee, 'Gallipoli-related activities' and 'cyber-safety.'

Last June, **Ron Williams**, a Toowoomba father of six, won a High Court battle against the chaplaincy program – which funds chaplains providing spiritual guidance in schools – when six of its seven judges ruled that it exceeded the Commonwealth's executive spending powers under the constitution. They also said that the government could not spend money on programs that fall outside these powers without authority from Parliament.

Losing voice

According to the *Financial Review*, Labor has lost traction in its signature policy area of education, and faces a challenge to get it back. Despite the best efforts of MPs, led by **Kevin Rudd**, schools funding has been neutralised as an election theme thanks to the Coalition's promise to match all deals and offers to state and territory governments under the Better Schools plan.

Foreign affairs

Syria

Australia will use its presidency of the United Nations Security Council – due to commence in the first week of September – to push for a global solution to what **Kevin Rudd** called the 'mediaeval and barbaric scene' unfolding in war-torn Syria.

In the meantime, *The Australian's* columnist **Greg Sheridan** observed recently: 'The Australian government should consult parliament before committing troops to any action in the Syrian "mess" or anywhere else, former army chief **Peter Leahy** has warned. The former lieutenant-general headed the army for six years while Australian forces fought in Iraq and Afghanistan. He is now director of Canberra University's National Security Institute.'

Not fit

Kevin Rudd unleashed his strongest personal attack of the campaign, lambasting **Tony Abbott** as unfit to act on the world stage. According to *The Australian*, the Prime Minister questioned whether the Opposition Leader had the temperament and judgement to handle international crises such as the atrocities in Syria.....!!

Wedding bells

According to the *Herald Sun*, US Ambassador to Australia **John Berry** has married his long-term partner of 17 years, **Curtis Lee**, in a private ceremony in Washington DC.

Limbo for Victoria's ex-Premier

It has been reported that if the Coalition wins the 7 September election, former Victorian Premier **Steve Bracks** would lose his current job as Consul-General in New York. He was appointed to this job in May by Gillard, not long before **Kevin Rudd** regained the PM's post. Despite or because of **Bob Hawke** championing Bracks, the Coalition's Shadow Foreign Minister **Julie**

Bishop refused to rule out the idea of Bracks having to leave the position.

Defence

'Hey Kevin, why didn't you call?'

The *Financial Review* announced that 'the surprise plan to close Sydney's naval base has upset the man who oversees the city's development and could ultimately decide what would replace it; NSW Premier **Barry O'Farrell**. 'A phone call would have been helpful,' he said. Later **Kevin Rudd** said Mr O'Farrell should have known that the navy was under the control of the Federal Government, and went on to criticise the Premier for a lack of new motorways in western Sydney.

Another critic of the PM has been Sydney's Mayor **Clover Moore**, a former independent in the NSW parliament, who urged the Federal Government to consult with the local community before closing the Garden Island naval base. 'The community,' she said, 'must be allowed to have its say on Garden Island.'

Contracts up for grabs

The *Financial Review* announced that a major new defence program to sort out a wide range of environmental and heritage issues around Australia 'offers one of the best opportunities for specialist consultants likely for a while ... The offer is being organised by a Defence Support and Reform Group, operating within the Department of Defence. ... Australasian tenders specialist TenderSearch says the closing date for responses is 2 October. The initial operating period is three years, with an option for [the department] to extend this for another four years.'

Ending

Australia's elite special forces will help train Afghan counterparts next year but will not carry out raids against the Taliban – effectively bringing to an end Australian combat duties. According to *The Age*, the Department of Defence announced that Australia had struck an agreement with international coalition partners for special forces and other army personnel to train and advise the Afghans during 2014.

It is the first time the government has confirmed that the SAS and 2nd Commando regiments would no longer perform combat roles next year – and further cements the winding down of Australia's involvement. It means Australia's combat duties will end for the time being when the base at Tarin Kowt, in Oruzgan Province, closes by December, bringing home more than 1,000 troops.

Naval proposal

The Department of Defence was not consulted on Labor's high-powered taskforce to look at moving major navy facilities from Sydney Harbour to Queensland, according to *The Age*. **Kevin Rudd's** push to start the process of relocating the historic Garden Island naval facilities in New South Wales met with a mixed response from defence experts. Under the plan, which was also attacked by the NSW government, top military brass would spend two years studying options to close Garden Island and move its facilities to Brisbane or Perth, as well as upgrade bases at Darwin, Cairns and Townsville.

Spending

According to former Labour Treasurer and Minister **John Kerin** in the *Financial Review*,

neither side of politics is willing to provide a time-frame for a return to promised higher defence spending.

Mr Kerin's outburst comes as the ALP prepares to debate a raft of reforms at its showcase national conference later this year. He resigned from the Party.

A post-election review by former premiers Bob Carr and **Steve Bracks** and former minister John Faulkner identified grassroots disillusionment as one of the biggest challenges facing the party.

Sports & arts

Essendon

The key allegations contained in a 34-page document issued by the Australian Football League outlined the league's case against Essendon over the supplements program. AFL Commissioner **Mike Fitzpatrick** summoned all the presidents of all AFL clubs, and according to *The Age*, every club was shocked at the narrative laid out by the charge sheet.

Essendon received a \$2 million fine, was banned from the 2013 finals, and was also banned from the 2013 and 2014 drafts as punishment for governance issues related to the supplements scandal.

Musings

In the *Herald Sun*, **Eddie McGuire** wrote: 'Make no mistake, drugs and gambling will be the biggest impediments to the fairness of competition for years to come. Now is the time to make the AFL the fairest and best competition in world sport.'

Also in the *Herald Sun*, **Jeff Kennett**: 'Essendon Football Club will front the AFL Commission, on a date to be fixed, to answer charges the club and four senior officers have brought the reputation of the competition into disrepute. But the AFL Commission is not the body to hear such charges. They are too compromised. They are a law unto themselves and answerable to no one.'

Society

Same-sex marriage

A majority of Australians continue to support legalising same-sex marriage, but they do not rate it as an issue that will decide their vote at the coming election.

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