

LETTER FROM CANBERRA

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The New Era Edition

TITLE	MINISTER
Prime Minister	The Hon Malcolm Turnbull MP
Minister for Indigenous Affairs	Senator the Hon Nigel Scullion
Minister for Women	Senator the Hon Michaelia Cash
Cabinet Secretary	Senator the Hon Arthur Sinodinos
<i>Minister Assisting the Prime Minister for the Public Service</i>	<i>Senator the Hon Michaelia Cash</i>
<i>Minister Assisting the Prime Minister for Digital Government</i>	<i>Senator the Hon Mitch Fifield MP</i>
<i>Minister Assisting the Prime Minister for Counter Terrorism</i>	<i>The Hon Michael Keenan MP</i>
<i>Assistant Minister to the Prime Minister</i>	<i>The Hon Alan Tudge MP</i>
<i>Assistant Minister to the Prime Minister</i>	<i>Senator James McGrath</i>
<i>Assistant Minister for Productivity</i>	<i>Dr Peter Hendy MP</i>
<i>Assistant Cabinet Secretary</i>	<i>Senator the Hon Scott Ryan</i>
Minister for Infrastructure and Regional Development (Deputy Prime Minister)	The Hon Warren Truss MP
Minister for Resources, Energy and Northern Australia	The Hon Josh Frydenberg MP
Minister for Territories, Local Government and Major Projects	The Hon Paul Fletcher MP
<i>Assistant Minister to the Deputy Prime Minister</i>	<i>The Hon Michael McCormack MP</i>
Minister for Foreign Affairs	The Hon Julie Bishop MP
Minister for Trade and Investment	The Hon Andrew Robb AO MP
Minister for International Development and the Pacific	The Hon Steven Ciobo MP
Minister for Tourism and International Education	Senator the Hon Richard Colbeck
<i>Minister Assisting the Minister for Trade and Investment</i>	<i>Senator the Hon Richard Colbeck</i>
Attorney-General (Leader of the Government in the Senate)	Senator the Hon George Brandis QC
Minister for Justice	The Hon Michael Keenan MP
<i>Assistant Minister for Multicultural Affairs</i>	<i>Senator the Hon Concetta Fierravanti-Wells</i>
Treasurer	The Hon Scott Morrison MP
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Assistant Treasurer	The Hon Kelly O'Dwyer MP
<i>Assistant Minister to the Treasurer</i>	<i>Mr Alex Hawke MP</i>
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Special Minister of State	The Hon Mal Brough MP
Minister for Agriculture and Water Resources	The Hon Barnaby Joyce MP
<i>Assistant Minister for Agriculture and Water Resources</i>	<i>Senator Anne Ruston</i>
Minister for Industry, Innovation and Science (Leader of the House)	The Hon Christopher Pyne MP
Minister for Resources, Energy and Northern Australia	The Hon Josh Frydenberg MP
<i>Assistant Minister for Science</i>	<i>The Hon Karen Andrews MP</i>
<i>Assistant Minister for Innovation</i>	<i>Mr Wyatt Roy MP</i>
Minister for Immigration and Border Protection	The Hon Peter Dutton MP
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Minister for the Environment	The Hon Greg Hunt MP
Minister for Cities and the Built Environment	The Hon Jamie Briggs MP
Minister for Health	The Hon Sussan Ley MP
Minister for Sport	The Hon Sussan Ley MP
Minister for Rural Health	Senator the Hon Fiona Nash
<i>Assistant Minister for Health</i>	<i>Mr Ken Wyatt AM MP</i>
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Minister for Veterans' Affairs	The Hon Stuart Robert MP
<i>Minister Assisting the Prime Minister for the Centenary of ANZAC</i>	<i>The Hon Stuart Robert MP</i>
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Minister for Education and Training	Senator the Hon Simon Birmingham
Minister for Vocational Education and Skills (Deputy Leader of the House)	The Hon Luke Hartsuyker MP
Minister for Tourism and International Education	Senator the Hon Richard Colbeck

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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.

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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.

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The editor having a beer with his American brother.

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Editorial One Nation

Prime ministers come. Prime ministers go. Defence ministers come. Defence ministers go. Leadership Teams change. And so on. And so on. Even successful corporations and other non-political organisations need sometimes to rearrange the leadership team in order to do a better job.

This Editor had a fairly challenging year in the United States, a student at a clever and demanding high school just a short drive to the White House, in 1964, as Australia supported the United States in Vietnam and as he got the behind the scenes commentary from his American Dad who was a Navy pilot who worked at the Pentagon and who gave him the news behind the news. And as he was steered through the Washington community by his new family and their friends. He learned so much about Australia, and other countries, from various angles. How tall Australia stands, often, and sometimes not so tall.

Australia. Australians, need to think long term. Australia needs to think of our next generations. Australians need to think long term, for our borders, our safe and pleasant lives, a cohesive Society, educated and healthy, enough government, free to drink a coffee without concern for those passing in the street, real freedom of speech and respect for all, fitting in with nature and the environment, a productive Australia, good jobs and in their variety, helping those who need help, good infrastructure for the decades ahead, and wise with the use of changing technology.

Some/much of the media, and politicians and unionists and business groups (not so much) and some other focused groups including social media can only think.. of their own more immediate needs without thinking much further ahead outside and beyond their own boundaries.

The good news for the Editor is that he is not going to sleep worrying about some of these recent political happenings. He is taking an optimistic approach as are many others out there. He told his wife to relax. He is focusing on his own life and that of his family and friends and the

neighbourhood. And also to do what part he can play for the longer term of this nation. Even standing up to an abusive unionist in Spring Street, Melbourne.

PLEASE NOTICE. There is a little ancient history in this edition, as the new Prime Minister carefully took over the reigns of the Government of Australia. Hence, ministers so-mentioned, may now have different roles as you move through the pages and the last six weeks. History often explains things.

SHORT NOTICE. BRIEFING. We are having a briefing at the office on The Changeover on Wednesday, 30 September at 3pm. Did I just write that!?! Let me know if you would like to come.

Elsewhere, *Letter From Melbourne* will next month celebrate its Twenty-First Birthday, as *Letter From Canberra* celebrates its eighth. Keep tuned.

This is a three coffee Edition. Happy Reading.

GOVERNANCE.

Turnbull's Triumph

According to The Australian, Malcolm Turnbull has seized the prime minister's job with a vow to offer a 'different style of leadership' to tackle the nation's economic problems, toppling Tony Abbott by 54 to 44 votes in a sudden and extraordinary ballot.

Cabinet ministers including Liberal deputy Julie Bishop threw their support behind Turnbull to give him a convincing majority to drive Abbott from power and end months of agonising over the government's failure to restore its political fortunes.

Bishop prevailed in a vote on the deputy's position by 70 to 30 votes against Kevin Andrews, the Defence Minister who was one of Abbott's strongest allies.

PM seizes the best option but many hazards lie ahead
As reported by Paul Kelly in *The Weekend*

Australia, divisions over same – sex marriages have escalated Abbott – Turnbull leadership tensions.

The Marriage thing

On same-sex marriage, four of the top five senior Federal Government ministers - Tony Abbott, Julie Bishop, Joe Hockey and Scott Morrison - rejected a free vote in parliament this term but backed a free vote by the entire population next term. Given the depth of feeling within Coalition ranks, the strong party room sentiment in favour of traditional marriage and the imperative to take a proactive policy to the next election, the idea of a national vote seems the best outcome for the Federal Government.

A furious dispute over the issue put the Prime Minister at odds with his cabinet colleagues in a marathon meeting that crushed an attempt to allow a conscience vote on the controversial social change.

Unloved. Unaccepted

Queensland moderate Warren Entsch had worked with fellow Queenslander Teresa Gambaro and South Australian senator and frontbencher Simon Birmingham to work up a Bill that would remove the stipulation in the Marriage Act (inserted by John Howard in 2004) that marriage must be a union between a man and a woman, co-sponsored by Labor and the crossbenchers.

Bill Shorten wanted to define the next election in terms of same-sex marriage as Labor yes and Coalition no. The Prime Minister, regardless of his personal views, could not allow the government to be trapped into such electoral suicide. The upshot is that Abbott has redefined the contest as Labor backs a politicians' vote and the Coalition backs a people's vote.

The Week That Was

According to Dennis Shanahan in *The Weekend Australian*, the return of parliament (from 7 to 17 September) has been a fiasco for the Coalition. Abbott's intention to turn the focus on to 'jobs and growth' was totally derailed. He managed to say it once in parliament, but it could barely be heard and carried no weight or

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argument.

The aftermath of Bronwyn Bishop's resignation as Speaker as part of the MPs' entitlements furore ensured the Coalition's parliamentary week was always going to begin with uncertainty. While declaring same – sex marriage a lower order priority, the government spent hours locked in debate and days bickering over the outcome. Months of discussion of a 'low – order priority' are ahead.

The plan to unveil a reasonable climate change policy that trapped Labor's extravagant renewable energy target and emissions trading scheme between the Coalition's economically cautious greenhouse gas emission reduction target of 26 to 28 per cent by 2030 and the Greens' 60 per cent was blotted out by the partyroom divisions over same – sex marriage.

The \$89 billion naval building project was turned into a Labor demand as to why Perth and Melbourne didn't get a big share of the work directed to Adelaide. Of course, the long-held strategy of turning union domination and the findings of the trade union royal commission against the Opposition Leader was spectacularly derailed when commissioner Dyson Heydon agreed to speak to a Liberal-branded event.

Triple Whammy

According to Ewin Hanna in the Financial Review, the Coalition's political assault on the union movement has suffered three setbacks in just 24 hours. Two of its signature workplace policies- the return of the Australian Building and Construction Commission and the creation of a Registered Organisations Commission -were blocked in the Senate after cross benchers sided with Labor and the Greens twice on Monday to defeat the bills.

The third and most serious blow has been the undermining of the credibility of Dyson Heydon, the former High Court judge handpicked to oversee a royal commission designed to weaken the union movement and the ALP.

PM facing election wipeout

As reported in The Age, Malcolm Turnbull is cementing his lead over Tony Abbott as the most popular choice as Liberal leader and prime minister across all major voter groups, according to new polling which also shows the Coalition is facing a 36-seat electoral wipe-out.

Leadership Talk Starts to Hit Liberals

As reported in the Financial Review, Liberal MPs are being sounded out by colleagues over the leadership as the government struggles in the polls and tries to end the infighting caused by the same-sex marriage.

Sources said that 'foot soldiers' for Malcolm Turnbull and Scott Morrison, who are on opposite sides of the same-sex marriage debate, have been taking informal soundings in recent days, targeting colleagues who voted for Abbott in the leadership spill.

'Bullish' Treasurer

David Uren and David Crowe in The Australian say Joe Hockey is optimistic on China as his second budget begins to pay

off. Hockey has good reason to be pleased with the performance of the economy since his second budget was delivered three months ago.

Retail sales are going well, consumers are happy and businesses say trading conditions are the best they've been since the brief bounce back after the global financial crisis.

The buoyant economic performance, particularly in NSW and Victoria, is being achieved despite tumbling prices for Australia's exports and evidence that large swaths of the Chinese economy are in a recession that its government is battling to contain.

Living the High Life

The Prime Minister has conceded that the 'family reunion' allowance does not meet public expectations as documents from the Department of Finance show taxpayers forked out a total of \$10.4 million for MP's family members' travel in the second half of last year and more than \$7.5 million over the past five years according to the Herald Sun.

The National Party's three senior MPs, Warren Truss, Barnaby Joyce and Nigel Scullion, who live near regional airports, spent \$400,000 on charter travel last year and \$289,316 on domestic fares. City, based MPs have also been using charter transport, illustrating the generous entitlement is not only being used by politicians in remote areas.

Federal Education Minister Christopher Pyne, who warned against a 'Salem witch trial' over politician's' travel allowances, charged taxpayers \$7,785 to fly his wife and four children business-class return from Adelaide to Canberra.

Conflict?

Independent MP Andrew Wilkie, who has accused other politicians of accepting donations 'with the expectation of payback', has accepted money from donors who would financially benefit from policy changes he has advocated in parliament according to The Australian. On February 6, 2013, Wilkie called for an expansion of the Tasmanian Freight Equalisation Scheme, which reduces freight costs for exporters, and to make Bass Strait part of the national highway.

'The scheme is too narrow seeing as goods bound for international export are specifically excluded.' Wilkie, who represents the Hobart – based electorate of Denison, denied any conflict of interest between his advocacy and the donations.

What are they worth

The recent prime minister had announced a fundamental review of the parliamentary entitlements system. www.dpmc.gov.au/reviewcommittee Dead line for all correspondence is October 21. Submissions may be emailed to reviewcommittee@dpmc.gov.au

Seeking Salvation in the Navy

Tony Abbott has launched his first big promise for the next election with an ambitious \$89 billion gamble on new warships and submarines for the navy, but questions remain about how many jobs will be created or saved. Promising a fleet of sophisticated 'future frigates' will be built in South Australia to replace the navy's Anzac

warships three years ahead of schedule, the Prime Minister unveiled phase one of an election pledge that he vowed would award the battered manufacturing state 'first prize' as reported in The Australian.

Joyce Challenge

According to The Age, the battle for Barnaby Joyce's seat of New England is shaping as the most closely – watched contest of the next election, with rural independent Tony Windsor now more likely than not to mount a political comeback.

PM eyes Candy

According to The Australian, Tony Abbott is preparing to renew the debate on 'fixing the federation' in the hope of striking a new deal with the states on funding essential services, as he considers an increase in the GST as part of the reform.

An increase in the consumption tax remains a live option within the Coalition as federal officials draft new papers on tax reform and the future of the federation, redefining the services offered by each level of government. Abbott has agreed there was a 'powerful' argument for an increase in the GST to 15 per cent but insisted there could be no overall increase in the tax burden on ordinary workers.

Abbott did not reject the idea of expanding the base of the GST – which is not applied to financial services, health, education and fresh food – when radio host Alan Jones argued for an increase in the rate and a cut to the exemptions.

Corbett Retires

Retiring Fairfax Media chairman Roger Corbett says the nation's political environment has created a 'reform holiday' which has left media ownership rules in the dark ages and threatens to undermine Australians standard of living. Corbett, who is also a Reserve Bank board member, said a hostile Senate meant Prime Minister Tony Abbott had lost the ability to govern; he called for an early double-dissolution election to break the impasse. 'The position we are in politically is untenable'.

Debt OK

Labor frontbencher Anthony Albanese has decried the 'irrational demonisation of debt', arguing that there is nothing wrong with borrowing to invest in nation – building projects that create jobs and boost productivity according to The Age.

Cut Red Tape Drive

As reported in the Financial Review, Productivity Commission chairman Peter Harris urged the Federal Government to make tax reform contingent on the states agreeing to reform planning laws and slash red tape because it remains one of the biggest productivity hindrances for business. Harris was speaking during a panel discussion on ways to lift productivity at an Australian Chamber of Commerce and Industry Business Leaders Summit in Canberra.

Two years in, PM Still Languishing

According to The Australian, Tony Abbott marks his second anniversary as Prime Minister with his standing with voters and support for his government lower on every measure than when he

was elected. Four days short of the prime ministerial pension, he was or is.

The latest Newspoll, taken at the weekend exclusively for The Australian, shows the Coalition's primary vote is down 6.6 points from its thumping election win and satisfaction with Abbott's performance has tumbled 17 points in two years

Hear Heydon

Unions Inquiry a Fresh Crisis for PM

As reported in The Age, Federal Government was embroiled in a new political crisis just weeks after the Bronwyn Bishop affair. The opposition mounted a full-throated attack in Parliament, including an unsuccessful censure motion over the former High Court judge's links to the Liberal Party, after Fairfax Media revealed exclusively that he was to address a Liberal Party event as its guest speaker later this month.

A flyer for the speech stated that any funds raised from the address would support Liberal Party state campaigns. Abbott said 'There is no more distinguished person in the legal profession than Justice Dyson Heydon.'

George Brandis said 'I think it's misdescribed as a fundraiser. Any suggestion that Heydon would be lending his support to one side of politics or another is absurd'

Bill Shorten said 'If it is true that a royal commissioner investigating Abbott's political opponents is now attending a Liberal Party fundraiser, that is incredibly serious, incredibly concerning.'

Royal commissioner Heydon said 'The mere fact that a person agrees to deliver a speech at a particular forum does not rationally establish that the person is sympathetic to, or endorses the views of, the organiser of that forum.'

As analysed by Michaela Whitbourn in The Age, Heydon, renowned jurist, black-letter lawyer, was never going to resign his post as head of the Trade Unions Royal Commission without putting the unions' barristers through their paces. His written reasons, all 67 pages, or 25,542 words of them, point to what he calls the 'fatal' flaw in the unions' argument that he must recuse himself because of an appearance of bias.

They said this might create a perception of bias in the mind of a fair-minded observer, given the Liberal Party and the trade union -

linked Labor Party are 'natural adversaries'.

But Heydon says the fair minded observer could not have reached such a conclusion.

Here's Why the Union Want to Silence Heydon

According to The Australian, the trade union royal commission has already referred 26 union and ex-union officials to law enforcement agencies and regulators to investigate more than 50 potential breaches of criminal and civil laws.

The royal commission, which The Australian can reveal had spent \$28 million of its \$61m budget by the end of June this year, is still investigating the Australian Workers Union over alleged - donations and sweetheart deals with employers during the stewardship of Bill Shorten and his successors.

Further evidence in August tendered to the commission in Sydney builds on a raft of allegations since hearings began last year that unions are raising millions of dollars in untaxed funds from employers through so - called education and training and social welfare programs and income protection schemes. The revelations could result in further referrals for criminal and civil sanctions.

Address Fatal Flaw in Union Arguments

The Age reported Former High Court chief justice Murray Gleeson delivered an address in 2014 and the barristers for all the unions agreed that nothing could be surmised about his political leanings from this.

A good story

As reported in The Age, prime minister Abbott has lost fifteen staff from his personal office in the nearly two years since being elected - more than a quarter of the overall total. And another four staff have left the Prime Minister's office and moved over to the cabinet office, which works closely with Abbott's staff but is considered to be one step removed from the frontline.

However, the figures pale in comparison to the exodus that Kevin Rudd endured as prime minister. Rudd lost 23 of 39 staff in his first two years in office, according to a News Corp report at the time, which represented a staff turnover rate of 58 per cent in his first term.

In comparison, the turnover in the Abbott office stands at 26 per cent, or 33 per cent including the four staff who have moved to the cabinet office, in the first two years. People who have worked for

and are still working for the current Prime Minister praised Abbott as a boss and pointed out there had been no reports of him 'blowing up' at staff.

A spokesman for the Prime Minister said that staff turnover in Abbott's office was 'very low' by historical standards.

Wepublic

Treasurer Joe Hockey has surprised colleagues by putting the republic debate back on the national agenda. Hockey, who has spent the past few days talking about tax reform, emerged on 26 August as the co-chair a new parliamentary group aimed at renewing the push for Australia to become a republic according to The Age.

Seems a positive in some ways

As reported in The Age, the Federal Government is stuck in a 'policy paralysis' that has seen fewer bills finalised in its first 700 days in office than any other federal government since the late 1960s.

The Fairfax Media analysis of post - World War II Australian governments was conducted after the federal cabinet was reported to have met without any formal submissions last week and MPs despaired at time-filling debates in Parliament.

According to the analysis, 262 bills have passed both houses of Parliament and been signed by the Governor-General during the Federal Government's first 700 days. This is the lowest number since the Liberal Party's John Gorton became prime minister in 1968 and passed 259 bills over the same time period.

As well as less overall success in passing legislation, the Federal Government has also introduced fewer bills to the House of Representatives. A comparison of the first 135 sitting days of the 43rd and 44th parliaments finds that 480 bills were introduced there under Gillard's prime ministership, while 365 - excluding duplicate versions of bills - were introduced under Abbott.

Laying Down the Law

Tony Abbott put ministers on notice after weeks of public squabbling over same-sex marriage and the leaking of the Coalition emission targets, warning there would be 'consequences' for alternative views. Abbott has moved to reassert his authority, launching a major new push to emphasise jobs and development over environmental protection, while hinting that socially progressive ministers who depart from

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the script may be dropped according to *The Age*.

Cabinet Split Over Effects

Despite the misgivings of some colleagues, Bilson was given the green light by federal cabinet to keep developing a proposal to toughen the section of the Competition and Consumer Act governing how companies exercise their market power, a recommendation of the Harper Review into competition. While the Business Council of Australia remained vehemently opposed to any change, the Australian Chamber of Commerce and Industry backed Billson.

The policy proposals, which stem from the Harper Review into Competition Policy, contain two key changes, including an effects test, which Billson says will 'make misuse of market powers work'. An effects test would set a lower threshold than the current test, which requires proof of an anti-competitive purpose or intent.

The effects test would change section 46 of the Competition Act so it only had to be shown that the effect, not the purpose of a decision by a corporation such as Coles or Woolworths, would be to eliminate competition. Billson said the law should be changed to replace 'purpose' with 'purpose, effect or likely effect'. 'After all, it is the effect of exclusionary conduct that damages the economy and harms consumers.'

What effects

The **Council Of Small Business Of Australia** joined on August 18 with the **Master Grocers' Association** in calling for a bipartisan approach to economic management and the need for an Effects Test in the world of Australian competition. What the two groups seek is the implementation of such a test to section 46 of the existing Competition and Consumer Act.

This implementation, they argue, would strengthen existing laws for the ACCC, and would also allow for necessary action to be taken against companies which misuse market power to the detriment of the economy, of small business in particular, and of the public in general. **Jos de Bruin**, the MGA's Chief Executive Officer; 'There are 34 developed economies with an effects test in place, including the UK, the EU, the USA, and Canada, and they function well and effectively.'

Palmer Eyeing Senate

Clive Palmer has moved to lock in a powerful preference deal with two cross benchers as the mining magnate weighs up a dramatic switch to the Senate at the next election according to *The Age*.

'The ALP is a policy-free zone clamouring for distractions to hide its incompetence' says Jennifer Oriel in *The Australian*

Such leadership

Tony Abbott has left the door open for the opposition to introduce a parliamentary challenge to Fair Work Commission vice-president Michael Lawler, who has been embroiled in controversy after taking nine months sick leave while supporting his partner, disgraced former union boss Kathy Jackson in the Federal Court. Barrister's peak body the Australian Bar Association offered its own legal opinion on the matter via a media release, saying that the legal

power to discipline or remove Lawler from the FWC rested entirely with the parliament, according to *The Australian*.

ALP Must Argue for Reform

Former prime minister John Howard says the federal opposition should assist the Government by advocating for economic reform, while Treasurer Joe Hockey argues the electorate is not ready for change and that business should be doing more to make its case. Writing in *The Financial Review*, Howard says that during his years in opposition between 1983 and 1996, the Coalition was largely supportive of reforms ushered in by Hawke and Keating.

Mark's view

As analysed by Mark Kenny in *The Age*, the common denominator is poorly performing government. 'The media is entirely right to focus on the issues that it wants to do so, but the point for us is we were elected by the Australian people in 2013 to do a job.' Said Assistant Treasurer Josh Frydenburg. 'Peter Dutton isn't in control of his ministry and he's now seeking to blame everyone else.' said Bill Shorten

Challenge to Canberra: Real Reform

Business, unions and community groups have issued an ultimatum to the nation's political leaders, rejecting piecemeal economic reform and declaring the next election must not be a race to the bottom of things we are not going to do. The National Reform Summit of more than 90 corporate, union welfare, economic and academic leaders calls for both parties to publish regular 'reform statements' outlining how they would tackle issues such as returning the budget to surplus and lifting productivity.

A statement endorsed by key summit participants, including the Business Council of Australia, the ACTU and the Australian Council of Social Service, called for 'a rigorous examination of all spending programs, including tax and direct concessions and publication of the findings as reported in *The Australian*.

The statement, also endorsed by the Australian Chamber of Commerce and Industry, the Australian Industry Group, the Council on the Ageing, National Seniors and Youth Action, called for an independent and 'holistic' review of the retirement income system, tax reform that 'does not rule out options for political expediency' and for the budget to be returned to structural balance progressively over a decade.

The Summit was told that productivity growth was so low that it raised doubts the budget could ever return to surplus, underlining the urgency for reform.

'Consumer Sovereignty'

As reported in *The Australian*, Joe Hockey told the National Reform Summit to embrace 'consumer sovereignty', declaring that in the age of technology, freer markets and lower regulation consumers are the 'great reformers'. Hockey said 'The community is not against change ... it just wants to make sure that reform has a purpose'.

Bill Shorten will invoke the summit at the start of the Hawke government which preceded the 'best and busiest period of economic reform in Australia's history' as he urges participants to

work together to boost productivity and increase confidence.

Citizenship Struck Down

The High Court would probably strike down a plan to automatically revoke dual national citizenship for people linked to certain crime, a leading constitutional expert says. University of NSW Professor George Williams told a Senate Inquiry that it was the most 'problematically drafted bill he had ever seen' according to *The Age*.

ALP emissions promise

Bill Shorten has promised to scrap the centrepiece of the Coalition's direct action climate-change policy, the Emissions Reduction Fund, if Labor wins the next election — a move he says will save up to \$4.3 billion as reported in *The Australian*.

Dismissing **direct action** as 'a waste of money', the Opposition Leader will not promise Labor will not continue to subsidise 'windfalls' for companies that are already acting to limit carbon emissions.

Hockey at Loggerheads

With a major debate now under way in the top echelons of Australia's economic policymaking elite, Hockey emphatically rejected RBA's Stevens' speculation that the economy's normal speed has fallen to around 2.8 per cent from the long-assumed pace of just over 3 per cent according to *The Financial Review*.

Howard Legacy Still Haunts PM

When the then-new Federal Government soothed the super-dry Productivity Commission onto Labor's union-friendly industrial relations system, the working assumption was that it would eventually recommend substantial changes to nourish the platform of a bold and successful administration proceeding confidently towards re-election.

But it hasn't worked out that way at all according to Mark Kenny in *The Age*. Permanently under water in a polling sense, the government has weathered a cavalcade of self-inflicted crises and has signally failed in its central economic message. Any courage it once promised voters is now detectable only as a faint echo.

Witness its response to the commission's more ambitious ideas. The PM could not wait to stress the 'draft' nature of the report, nor its status even after it is finished as a report 'to' government rather than 'from' it. The commission has delivered a mixed bag which expressly vindicates the main Gillard government reforms, and thereby demolishes conservative bleating about stultifying labour-market inflexibility, unsustainable wages breakouts, and unfair dismissal laws that restrain employment.

In fact, on the cornerstone issue of unfair dismissal remedies, the PC observed that while our laws are often pilloried as 'onerous, complex and overprotective', on 'objective measures of such employee protection arrangements around the world', Australia has 'one of the more light-handed suites of arrangements.'

Reduce Rubbish

Government MP Sharman Stone has suggested scrapping Parliamentary question time, saying it

adversarial and aggressive tone is one of the reasons women are discouraged from entering politics, according to The Age.

New CSIRO Appointment

Former Telstra boss David Thodey is the new chairman of national science agency CSIRO. Science Minister Ian Macfarlane said Thodey's appointment would help lure some of the country's best researchers and most productive industries, as reported in the Herald Sun.

A New Generation

Tony Smith's victory in a four-way race to replace Bronwyn Bishop as Speaker came courtesy of widespread support among the two largest states and efforts of a new generation of numbers men in the Liberal Party according to The Australian.

Calculated Appointment

Former Treasury secretary Martin Parkinson has taken his first major non-executive position, being appointed to the board of explosives maker Orica to take the place of Nora Scheinkestel, who will retire in December according to The Australian.

Dyson with Trouble

The political firestorm engulfing the royal commission into union corruption has escalated after its head, former High Court judge Dyson Heydon, revealed he agreed to address a Liberal Party event after being told of its links to the party as reported in The Australian.

The Coalition is attempting to shift the blame for the fiasco to the Liberal Party's NSW division, with senior frontbencher Christopher Pyne saying the fact that 'he was invited in the first place is beyond me'.

Unions have also accused the commissioner of an 'inadequate disclosure' of documents surrounding the political event, building their case for his removal on the grounds of a perception bias.

Education Minister Christopher Pyne said forcing Heydon's resignation would be 'a complete overreaction', but he did not deny the affair had left the former High Court judge compromised according to the Financial Review.

PARTY HAPPENINGS.

Hockey Hangs on as Senator Urges Stick for Leakers

The Herald Sun reported divisions within

the Liberal Party are rising again, with senior senator Arthur Sinodinos calling on Prime Minister Tony Abbott to sack any Cabinet colleagues undermining Treasurer Joe Hockey.

Abbott was forced to defend Hockey, saying he had full confidence in the Treasurer after leaks by frontbench colleagues complaining about his performance.

PM Wedges Shorten on Coal Jobs

According to The Australian, Tony Abbott has escalated his attack on anti-coal activists and challenged Labor to stand up for jobs, by moving to ban green groups from using the courts to stop major developments such as the Adani coalmine.

Hastie Stood for Canning. He won

A former SAS soldier running as the Liberal candidate in a key federal by-election says the Defence Force has cleared him of wrongdoing in its investigation into soldiers under his command who chopped off the hands of dead Taliban fighters in Afghanistan. Andrew Hastie, 32, who resigned as a captain in the Special Air Services to run in the Canning by-election, told the Western Australian Liberal Council that he had left with a 'clean slate' as reported in The Age.

\$1 Million Green Flights

Greens Senator Sarah Hanson-Young has cashed in on charter flights and overseas study tours worth more than \$85,000 to attend environmental meetings and visit refugee camps. The Herald Sun revealed that the Senator had claimed almost \$1 million on travel entitlements since entering parliament in mid-2008 up to December last year.

The Greens, a party that supports lower emissions, has racked up almost \$245,000 on MP's charter travel claims. Leader Richard Di Natale defended the use of charter flights, 'there is nothing wrong with an MP using a charter flight in the course of doing their job, which is why the entitlement exists.'

More Parties, Less Fun

Australia officially now has a political party modelled on the far-right movements in Europe and dedicated to the idea that Islam is a 'totalitarian ideology with global aspirations' according to The Age. The Australian Liberty Alliance gained approval from the Australian Electoral Commission for registration as a party, having signed up well over the required 500 members and attracted no objections. Its national secretary, Ralf Schumann, confirmed that controversial anti-Muslim Dutch politician Geert

Wilders planned to launch the party on October 20.

Factions Threaten Purpose

Kevin Rudd has blasted Labor's factional warlords and union bosses for refusing to cede power to rank and file members at the recent national conference, warning that if the party does not democratise, then its ability to win elections will be at risk. According to The Australian, the former prime minister has also taken a swipe at Julia Gillard saying her prime ministership was beholden to union-based factional power brokers and represented the apogee of their destructive influence inside the party.

Apology Accepted

Nick Xenophon has accepted former prime minister Julia Gillard's apology for falsely claiming that he was involved in ballot box stuffing as a student politician. According to the Herald Sun, Gillard has taken out advertisements in newspapers apologising for the claim made in her autobiography, My Story..

Kev's Shoulder to Cry On

Kevin Rudd sought the sympathy of the White House in the days after he was toppled as prime minister in 2010. He also tried to speak to then - Secretary of State Hillary Clinton about his 'future career goals' as he licked his wounds from the Labor leadership spill which saw Julia Gillard take his job. As reported in the Herald Sun, the revelations come from a tranche of emails released by the State Department as Clinton draws criticism for using a private computer server for her work emails.

Stop Toying Around

The debate over how to encourage more women into the Liberal Party and its senior position has reignited after Labor agreed to a rule change at its recent national conference to ensure 50 per cent of its parliamentarians are women by 2025. The move has intensified long-term efforts within the Liberal Party to achieve equal opportunity for women and men as reported in The Australian.

INDUSTRIAL RELATIONS. EMPLOYMENT.

Interesting

The Leader of the Opposition was described on August 27 by the *Financial Review* as considering industrial relations laws to improve productivity, safety and behaviour on building sites and other large projects, should the ALP win the next election. During his opening address to the recent National Reform Summit (in Sydney), the



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Opposition Leader called for an end to the ongoing ideological stand-off between government and unions, a stand-off which, he said, had hampered change.

Union Army, A new way

The Australian's Troy Bramston devoted his August 24 column to the ACTU's campaign to drive the Coalition out of power at the next federal election, due no later than 2016. ACTU president **Ged Kearney** spoke to Mr Bramston of 'an army of people to stand with us and fight with us for our agenda.'

Serving as a model for the ACTU campaign is the 2007 'Your Rights At Work' strategy, which proved very successful in ending **John Howard's** reign. That strategy focused on the Howard government's Work Choices, and according to the pollsters, it played a big part in making **Kevin Rudd** the Prime Minister.

Nonetheless, according to Bramston, 'this new campaign won't be a re-run of "Your Rights At Work." The ACTU has a more sophisticated strategy that emphasises one-on-one voter interactions. The ACTU already has 25 full-time campaigners looking after about 30 marginal seats. The first stage is building local infrastructure – what Kearney called "an army of activists."

'The next stage is prosecuting our agenda in marginal seats where we have built up our armies,' Kearney said. "We will get out there in the communities. We will do the door-knocking, visit shopping centres, make phone calls. It is pretty basic Campaigning 101, but on a much larger scale than ever before."

'The campaign has the broad theme of "living standards," Bramston continued, "and focuses on six areas: workers' rights, Medicare, education, public services, a secure retirement, and a fair go for all. It is not just about workplace relations. It is a broad agenda designed to maximise support.

'The big test will be the September 19 Canning by-election in Western Australia. Kearney says the ACTU will deploy "campaigning power" to defeat the Liberals. It will not only be a test for Abbott [*this article appeared three weeks before the Turnbull coup*] but a test for the unions, too.'

Crisis Post Boom

According to Tom Elliot in the Herald Sun, although this sounds harsh, we need to send 457 visa holders home to preserve work for Australians.

Aust Build Con Comm

In a setback for the Coalition's workplace relations agenda, the ABCC bill was defeated as a result of a tied vote of 33 all in the Senate. Crossbenchers Jacqui Lambie, Glenn Lazarus and Ricky Muir joined with the ALP and the Greens to vote against the bill which is one of the government's signature policies.

In the wake of the vote, Master Builders Australia asserted that the Construction, Forestry, Mining and Energy Union was approaching contractors and telling them to stop resisting union attempts to have them sign up to new enterprise agreements.

7-Eleven to Outlay Millions

As reported in The Age, a panicking 7-Eleven Australia will spend millions of dollars paying store holders to leave their businesses as it tries to head off a deepening crisis over worker exploitation and wage fraud.

Battle Intensifies for CFMEU

As reported in The Australian, the militant construction union will intensify its battle with the Federal Government on multiple fronts, despite losing its bid to force **Dyson Heydon** to quit as head of the trade union royal commission.

Nineteen days after the furore over his impartiality erupted, Heydon will resume hearing evidence in Sydney about the conduct of the Construction Forestry Mining and Energy Union after allegations were made of collusion, blackmail and standover tactics. Witnesses are due to give evidence from 10am, with at least seven CFMEU officials listed to appear this week, including ACT branch secretary **Dean Hall**, assistant secretary **Jason O'Mara** and organisers **Zach Smith** and **Anthony Vitler**

Gutless laws

Public roads have become a battle ground in the industrial relations landscape. The community picket technique is incredibly powerful because union officials do not need to convince workers to do anything. The squeeze can be put on companies where there are no union members at all.

All that is needed is a handful of people and a couple of cars to block someone's driveway for a week or so, until the person gives in. It has worked time and time again.

If our authorities are allowed to shirk their duty to uphold our basic rule of law and repeatedly fail to clear roads when they should be cleared, and ensure that our citizens can move about this country unimpeded and access their own property freely, then a dangerous precedent is set.

As reported by **Grace Collier** in The Australian, follow the scenario to the logical conclusion; if unions know they can freely get away with sending people to block roads, then road blocking – which is devastating in impact and neuters our Fair Work system – is what we will experience.

\$5000 Pay Cut in Reform

New draft workplace relations recommendations to the Federal Government has found penalty and overtime rates should be maintained but that Sunday rates should be aligned with Saturday rates, particularly for cafes, restaurants, hospitality, retail and the entertainment industry.

Emergency services personnel, police, nurses, paramedics and firefighters, would be exempt from any changes, effectively creating a two-tier penalty rate system. The Productivity Commission draft report called for the changes as well as other 'tinkering' to our workplace relations framework.

The paper, commissioned by the Minerals Council of Australia and obtained by The Australian, says the labour market system is restricting 'meaningful' competition between collective bargaining organisations. The evidence arising from the Royal Commission into Trade Union Governance and Corruption has highlighted some of the unintended consequences

of protecting collective bargaining organisations from competitive pressures..

The paper is sure to reignite debate as it comes after the Productivity Commission last week released a draft review that disappointed business by concluding the workplace relations system was in need of repair instead of replacement.

Ship Builders Delivered Last Orders

As reported in The Australian, BAE Systems announced last month it would reduce its workforce by a further 125 by the end of October in the wake of the Federal Government's decision to direct defence building work to Adelaide, adding to the 350 who have lost their jobs in the yard since last October.

The 99 shipbuilders and two maintenance staff were walked out of the west Melbourne shipyard yesterday morning as Defence Minister **Kevin Andrews** took to Facebook to celebrate the one month anniversary of the Federal Government's continuous build strategy for shipbuilding.

The \$89 billion continuous build policy focuses heavily on South Australia, where the Coalition is struggling in the polls, leaving Williamstown shipyard with little short-term assistance and no choice but to shed its workforce

London Calling

A raiding party from the London Ambulance Service will come to Australia next month to poach up to 200 senior Australian paramedics. They have already made two other Australian recruitment drives and offered 393 places in London stations to young Aussie graduates, of whom 171 are already working.

But this time they want senior staff to start straight away without further training. The British service's assistant director of operations, **Lucas Hawker – Frost**, said the British paramedic labour market had expanded in recent years from response-led services to broader health care. **Hawker – Frost** saw nothing wrong with overseas recruiting, particularly Australians with their high level of clinical ability.

Softly, softly IR Push

The Financial Review reported Prime Minister **Tony Abbott** and Employment Minister **Eric Abetz** have refused to commit to supporting moderate changes to the workplace system proposed by their own review that would make labour cheaper on Sundays, provide an alternative to the award system and reduce politicisation of the Fair Work Commission.

Business groups broadly welcomed the first report of the Productivity Commission review of industrial relations, which would create 'take it or leave it' statutory contracts for small businesses, new employees and reduce Sunday penalty rates in some industries to Saturday levels.

Union leaders said the plan would be worse than **John Howard's** Work-Choices regime, which helped the Coalition lose power in 2007. **Abbott**, who has resisted business pressure to deregulate the labour market, said the government was not committed to implementing any of the proposals. 'I want to absolutely stress that this is a draft report.'

Jennifer Hewett said 'The report is more like a political damp squib than a Work Choices-style firecracker.' Philip Coorey said 'The government won't touch any of it with a stick but that didn't stop the ACTU piling on.' Alan Mitchel said 'The less Abbott does to reform industrial relations, the more he will have to reform trade and competition policy.'

Just Not Working

Australia faces a massive jobs challenge over the next 10 years as entry-level positions either head overseas or are taken by machines. Yet to watch the ALP's national conference, you could be forgiven for thinking that the employment concerns of average Australians hardly matter. Labor is so obsessed with fending off the Greens that it's lost touch with its working-class roots according to Tom Elliott in the Herald Sun.

Push for Penalty Pay Overhaul

A two-tier workplace relations system that safeguards penalty pay rates for nurses, paramedics and other frontline occupations, but moves retail and hospitality workers to more flexible working arrangements, has been proposed by a Productivity Commission report under government review.

It is understood by The Australian that the draft report recommends making distinctions framework between penalty rates in workplace agreements for medical and emergency workers, and award-stipulated rates for semi and unskilled workers, as sought by business and employer groups.

The recommendations, which are fewer in total than other commission reports but sit alongside a comprehensive analysis, are designed to present a strong and measured blueprint for reform.

Theres A Gun in the Room

Implicit physical and industrial threats from the militant construction union make it extremely difficult to reach reasonable agreements, an industrial relations director for the Master Builders Association told the Royal Commission into Trade Union Governance and Corruption as reported in the Financial Review.

John Nikolic said negotiations with the Construction, Forestry, Mining and Energy Union over workplace agreements were 'extraordinarily difficult'. 'There's always a gun in the back of the room which is there as a threat of disruption to people's sites and livelihood if people don't agree to get inside the loop and enter into the EBA,' he said. 'The concessions that are offered are ridiculous in many ways'.

Woof Woof

The Construction Forestry Mining and Energy Union has fallen under the control of 'criminal elements' who are using black bans to send a message to the sector that they are in charge and the law doesn't apply to them, according to Boral chief executive Mike Kane. Boral, the country's largest building materials manufacturer, is embroiled in court action against the union, claiming its blockade has caused the company to lose more than \$20 million in revenue as part of the CFMEU's action against developer Grocon.

Stealing from the Poor

'Frustration and disgust' led to Master Builders Association executive director Brian Seidler

quitting the construction industry's charitable drug and alcohol rehabilitation facility after discovering the union was siphoning more than half the money raised for its own use according to the Financial Review.

Mr Seidler said he resigned from the committee of management of the Construction Industry Drug and Alcohol Foundation in 2012 after almost 20 years when it became apparent the NSW division of the Construction, Forestry, Mining and Energy Union was taking money meant to be used for Foundation House, a rehabilitation centre.

Staff Strike at Cabrini

According to Herald Sun, Cabrini Hospital nurses have voted to take their first industrial action since 1986 as they push for higher pay and reject being charged \$2 a day for car parking. More than 500 nurses and midwives form the private hospital voted to take action including refusal to work shifts, attending stop - work meetings and bans on paperwork needed for patients to receive their medications on their discharge.

BUSINESS. ECONOMY. MANUFACTURING. FINANCE.

Reform Summit

The *Financial Review*, on August 26, devoted no fewer than six columns to quoting, in its entirety, the Statement Of Intent released by the **National Reform Summit**. This summit represented a consensus by business, union, community, senior and youth groups, and the statement itself began with the following observations:

'Australia is a wealthy country that can have an even more prosperous future shared by everyone. We believe in sustainable economic growth and the creation of high-quality jobs, with shared prosperity that improves the quality of life for all.

'Groups representing Australian business, community and workers came together today to agree [on] actions that will help to realise our shared vision. These groups are committed to a comprehensive program of economic and social reform.

'We agree that active strategies are required of governments, businesses, unions, civil society organisations and individuals to adapt the economy to the creation of jobs for the future. This will involve reforms to boost Australia's competitiveness, including investment in skills, research and development, and infrastructure.'

Leaders agreement, muchly

Participants at the **National Reform Summit** reached, according to a front-page *Financial Review* story on August 27, broad consensus on the subjects of budgets, income tax, superannuation, and productivity, although they sometimes clashed regarding GST and payroll tax. 'They urged that every option for tax reform remain on the table and none ruled out "for reasons of personal expediency".'

The summit, which the *Financial Review* itself co-sponsored, along with *The Australian* and KPMG, 'sought to focus on areas of common agreement and skirted around more contentious areas of climate change and industrial relations. However, Reserve Bank Governor **Glenn Stevens** said the nation could not avoid looking at industrial relations changes to help boost growth and employment without hurting basic fairness.

'There is no avoiding the need to have the right labour market arrangements.

In the meantime, **Professor Ross Garnaut** 'advocated an economy-wide carbon price to pay down debt, while Labor leader **Shorten** used his speech to say climate change had to be part of any reform discussion. The summit was organised amid growing frustration with the glacial pace of economic reform in recent years.'

Goyder View

Richard Goyder, Chief Executive Officer of **Wesfarmers**, the nation's largest single private-sector employer, with more than 200,000 employees. Subsidiaries include **Coles, Officeworks, Bunnings, and Target**. Goyder is vexed at what he believes to be reform fatigue. *The Australian* cited him as having almost given up hopes of seeing meaningful economic reform in this country during the near future, but he believes that consumers have 'closed their eyes and ears' to the noise coming out of Canberra and are spending up at his retail businesses.

A Business Council of Australia board member, among other things, Goyder chaired in 2014 the B20 that brought together some of the world's most influential CEOs. He more recently reiterated a long list of key reforms that he was urging upon the federal government, reforms ranging over areas from tax to competition policy.

Yet, for all his voicing of frustration, he admitted that ultimately, Wesfarmers' fate was squarely in its own hands. As he put it: 'At the end of the day, it doesn't actually worry us ... you look at our result and the way we feel about the business at the moment and most of that is in our hands to execute.'

For Growth to Happen, the Stops Must be Removed

Nick Cater in *The Australian* reports that the most frightening prospect at the 26 August 2015 National Reform Summit is that the participants may end with consensus. Margaret Thatcher once said consensus was 'the process of abandoning all beliefs, principles, values and policies in search of something in which no one - believes but to which no one objects'.

Civic debate in Australia may have its problems, but there is hardly a shortage of cant. The last thing the summit should be seeking is a contrived like-mindedness spoken through gritted teeth. The ambition of the National Reform Summit should be to identify the common ground from which the nation can move forward. Common ground is not a place to bury differences. It is a place where one can state them clearly.

The presence of unions and business in the same room conjures images of 1983 when Bob Hawke's new government staged the National Economic Summit in Canberra to forge a path for reform. Finding common ground seemed so much simpler then. In the end, the summit will be worth the price of admission if it simply affirms our common interest in growth. Nick Cater is executive director of the Menzies Research Centre and a co-convenor of the National Reform Summit.

Summits : Sometimes They Work, Sometimes They Don't

Reform Politician driven summits have had mixed success. The key task is mobilise public opinion, writes Geoff Kitney in The Age.

'A Summit That Had No Idea

As reported by Peter Costello in the Herald Sun, Which is why I wanted to say something about the National Reform Summit. It is fading faster than the curtains of a Queensland house under daylight saving.

Although it happened less than a week ago, already it seems to have disappeared from public discussion. So allow me to recap. Craig Emerson, Labor's former trade minister, and Nick Cater, of the Liberals' Menzies Centre, got two major national newspapers to sponsor a conference with the aim of 'kickstarting' a national reform agenda.

The conveners decided the guest list. It excluded publicly elected representatives. Those attending consisted of paid staff at the business, union and welfare lobbies, representatives of the 'think-tanks', some individual business and union people and officials from the industry groups.

Like the 20-20 Summit, it was designed to bring together the 'Best and the Brightest', only this time it was the top 100, rather than the top 1000 who sneaked into Kevin Rudd's talkfest.

The first thing I learned was that the Parliament isn't so bad after all. The conference was called out of frustration with our political leaders and MPs. There was no indication that any of the people at the conference could sway public opinion. Far from developing an urgency about the need for action to rescue our prospects, in some respects, the summit seemed to excuse it.

In the air

Senate committee will call Airservices Australia chairman Angus Houston and other board members before it to explain how much they knew about allegedly 'dodgy' and 'incestuous' dealings surrounding contracts awarded for a \$1.5 billion state of the art national air traffic control system. The Australian also revealed the rural regional affairs and transport legislation committee will write to the National Audit Office seeking an urgent 'serious audit' of Airservices.

'Knew' About Leak

As reported in the Financial Review, the head of one of Australia's biggest industry superannuation funds, Cbus chief executive David Atkin, was likely involved in the leaking of confidential information about its members to the construction union, according to the trade union royal commission's top lawyer.

In a submission to royal commissioner Dyson Heydon, Stoljar recommended the commission find 'on the balance of probabilities' Parker told Atkin in 2013 he wanted his assistance to obtain personal information about employees of a construction company, Lis - Con, with whom the union was in conflict over unpaid superannuation.

Atkin has denied any involvement in the leak, which cost two of his staff their jobs.

Glory Days over

As reported in the Financial Review, in the first indication from a bank chief executive that the glory days for bank investors may have

ended, Commonwealth Bank of Australia chief executive Ian Narev said higher capital reserves being imposed by regulators would crimp shareholder returns in coming years.

Westpac/Banks Must Change

According to James Eyers, banks have entered a period of 'dramatic change', greater than anything the industry has seen in the past 30 years, says Westpac Banking Corp chief executive Brian Hartzler. 'There are a number of forces at work that mean banking is going to be quite different in five years' time,' he said at the bank's strategy update. These forces include the digitisation of information and soaring customer expectations about services provision in the digital realm.

'We can't afford to sell the same products to the same customers in the same way. We have to get even closer to the customers and think about how we use technology and customer-centred design to create experiences customers really value and are willing to pay for.'

Pirate Google

News Corp chief executive Robert Thomson has attacked Google for piracy, zealotry and kleptocracy for its disregard of copyright and distribution of journalism created by others according to The Australian. In a speech at the Lowy Institute Media Awards, Thomson warned that, without proper remuneration, well - resourced reporting would be further challenged in the future, with the digital age hostile to investment in journalism.

Getting Good Slice

The value of small and medium-sized enterprises to the exporting effort can be dramatic, with the latest statistics showing that 70 per cent of growth in Australian exporters in the 2014 financial year, was attributable to SMEs. And of the 2788 services exporters in 2013-14, 1662 of them were in the 'less than \$1 million' value range, according to the Australian Bureau of Statistics.

The Export Finance and Insurance Corporation's SME Export Index for the first quarter of 2015 shows sustained buoyancy among small and medium exporters, with 39 per cent of the survey expecting their export sales to increase over the next year and 28 per cent of exporters forecasting their exporting profits to increase over the next 12 months.

However, the performance of SME exporters comes with a major caveat. Since the start of 2014, SME exporters reporting difficulty accessing finance has more than doubled and in the 2015 EFIC survey 58 per cent of the business owners expected export-related finance to be a problem in the next 12 months. The main problem occurs when small businesses export into the Asia-Pacific region and there is a funding gap between the costs of fulfilling an order, and receiving payment.

Sugar is New Tobacco

As reported in the Financial Review, a shift in attitudes about sugar, similar to the movement against tobacco in the 1960s, will drive a rethink of everything from global growth rates to investment in the food, beverage and drug industries, global fund manager Platinum Capital argues.

BlueScope Needs 'Sugar Hit'

According to the Financial Review, Federal Industry Minister Ian Macfarlane has dismissed union calls for tariffs on imported steel as he hinted at a 'very big' package of proposals to support the Illawarra and its ailing steelmaker BlueScope. Macfarlane called a meeting of key stakeholders in Wollongong, an hour south of Sydney to discuss the future the local steel industry.

Firms want action on manufacturing

As reported in the Financial Review, Innovation We're done talking, let's get on with it, say manufacturers. Andrew Stevens, chairman of the Federal Government's Advanced Manufacturing Growth Centre, is impressed by the advanced manufacturers that 'fly under the radar'.

From automated machine tools and aerospace components made in Melbourne's suburbs to carbon fibre wheels in Geelong, microwave equipment and synthetic biological compounds in Brisbane and breathing equipment on the Gold Coast they are everywhere.

And if there's one thing these firms are telling the former IBM Australia chief executive, it's that the time for talk is over. 'One of the feedbacks (they've given) is, 'we have been involved in consultations on this stuff for a few years now, and we would rather do less consultation and see more action,' Stevens tells the Financial Review. Stevens said 'We are not going to move the needle in manufacturing in this country unless we change the mindset.'

Flying Roo Flies High

Alan Joyce is being credited with saving the Flying Kangaroo after overseeing a \$3.3 billion turnaround. According to the Herald Sun, the Qantas Group posted a net profit of \$557 million and an underlying profit of \$975 million in one of the biggest corporate recoveries in Australian history. Last year it posted a \$2.8 billion net loss and a \$646 million underlying loss, largely due to a huge write down in the value of the international fleet.

Major Win for Banks, Big Business

According to the Financial Review, business pressure, a restive backbench and pre - election politics have caused the government to dump a bank deposit tax an kill off plans to crack down on the use of market power by corporate giants.

Philip Coorey said 'Treasurer Joe Hockey was telling people he would exempt the small players and apply the bank deposit tax to only to the big four. Sources said Tony Abbott effectively cut the idea off at the knees.'

ACCC Knew of Fakes

Australia's consumer protection authority has known about potentially deadly counterfeit Toyota airbag parts for more than six weeks, but has not used its powers to stop distribution or take action against the unscrupulous importers. As reported in the Herald Sun, Toyota has embarked on a nationwide search for 'thousands' of counterfeit airbag parts, instructing dealers to inspect all vehicles when they come in for servicing.

The devices fit most of the two million Toyotas sold in Australia over the past 10 years. Internal testing by Toyota in Japan found there were up to four ways the bogus parts could fail to deploy in

an airbag crash. Toyota has been forced to take the matter into its own hands because the ACCC has so far refused to take action, even though the federal minister has the discretion to order a ban.

New Vows Made

The Australian Competition and Consumer Commission is sharpening its focus on cartels and collusive conduct involving unions and industrial cases, spurred by the royal commission into trade union corruption. ACCC chairman Rod Sims conceded in a speech to the Law Council of Australia that the ACCC relied too much on exemptions in competition law in its neglect of industrial relations cases in the past according to the Financial Review.

ACCC in action

Darling Downs Fresh Eggs, engaged in misleading conduct and made misleading representations in its labelling and promotion of eggs as 'free range', in proceedings brought by the Australian Competition and Consumer Commission and so held by the Federal court.

ACCC Chairman Rod Sims today shared some early insights from the it's inquiry into the **east coast gas market** in a speech to the Eastern Australia's Energy Markets Outlook conference. While we are not quite at the halfway mark in our 12-month Inquiry, and we are still some way off drawing conclusions. 'First, it is apparent that the arrival of the major LNG projects has upended the east coast gas market, likely permanently.'

Nearby, the ACCC has released a Statement of Issues on the proposed acquisition by Royal Dutch Shell of BG Group. The Statement of Issues seeks industry views and more information on the competition issues that have arisen in the ACCC's review to date.

Eight-Week Deadline

Bluescope Steel has given its unionised workforce eight weeks to accept 500 job losses or it will shut down Australia's largest steel plant, Port Kembla, because of a flood of cheap Chinese steel around the world according to chief executive Paul O'Malley in The Age.

Building Opposition

Some of the biggest names in the building industry have united to fight proposed federal government changes to regulations governing the energy efficiency of residential and commercial buildings, warning they could cripple manufacturing and leave Australia behind the rest

of the world. The proposed changes to the building energy regulations within the National Construction Code are designed to slash red tape and open up wider options for achieving building energy performance in new developments.

According to The Australian, however, key industry players fear that proposed changes to protocols for measuring residential building energy ratings could have unintended consequences such as allowing buildings with much worse performance than the present six star standards under the current Nationwide House Energy Rating Scheme to comply with the code.

MINING

AGL stung by change of tack on climate

As reported in The Australian, gas and electricity group AGL Energy lost \$800 million of revenue and \$189m of profit because of the abolition of the carbon tax last year, and has warned the federal government it still has to find ways to encourage the removal of high carbon emission power and make way for renewable energy.

New AGL chief executive Andy Vesey, who has committed the company to exit coal – fired power by 2050, said that without official measures to encourage dirtier and older power stations to close, companies would not invest in generating renewable energy.

Ferguson Cites Project Costs

Former federal resources minister Martin Ferguson said the high cost of building Australia's liquefied natural gas facilities has pressured the profitability of projects and raised doubts over whether a second \$200 billion wave of developments will ever be built. Ferguson was Labor's resources minister from 2007 to 2013 when many of the country's LNG projects received investment approval.

Rio Firm on Steel Outlook in China

As reported in The Australian, Rio Tinto says China's economy appears to be improving despite its stalling stock market, and that the coming year could see increased construction and better demand for steel, while it expects the long – term demand for iron ore to keep growing.

Mining Minister Claims Coal Power

As reported in The Age, approvals for new Victorian coal licenses have been reclaimed by

Energy Minister Lily D'Ambrosio, who has flagged changes to the oversight of the broader mining industry amid concerns community complaints are not being properly acted upon.

It comes as the State Government has revealed it is also developing a policy to guide future development of the state's vast, but greenhouse gas – intensive, brown coal reserves.

Hunt's Green Anger

Federal Environment Minister Greg Hunt has accused Green groups of abusing the legal system to delay big mining projects, including Adami's \$16.5 billion Carmichael coal mine in Queensland, which the Federal Court said can't go ahead for now because of a mistake in the approval process by the Environment Department. The NSW Environmental Defenders Office said the court had identified a fundamental legal error that would kill the project. Hunt said it could be only weeks before he made a new decision on the mine according to the Financial Review.

Shale too Big to Ignore

BHP Billiton is writing off a further \$US2.8 billion from the value of its US onshore shale oil and gas fields. This is to reflect the obvious reality that the prices BHP gets for its output is now significantly lower than when BHP first purchased the assets according to the Herald Sun.

The Changing Face of Philanthropy

According to the Financial Review, when it comes to philanthropy Geoff Wilson, of Wilson Asset Management, has a new twist on an old idea. He has persuaded some of the most well-recognised names in global funds management to forego all their fees for a new investment company to be listed on the ASX. Nor is the ASX charging any listing fees. Legal, accounting and other professional services are also being provided pro bono. That allows the Future Generation Global Investment Company to meet its aim of donating 1 per cent of its net assets to youth mental health.

TRADE.

China ads for Gippsland Dairy Jobs

A 2013 plan by a Chinese-owned dairy in Gippsland to import workers has been condemned by federal opposition and union figures. Newly exposed details that Ningbo Dairy, which trades in Australia as YoYou, was actively recruiting

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dairy farm workers two years ago threaten to stoke fears over the Chinese-Australian Free Trade Agreement.

The FTA's impact on local jobs was the subject of bitter political point-scoring between the federal government and opposition. 'There's been widespread evidence of the abuse of [migrant worker] 457 and backpacker visas in a range of rural industries, from food processing right through the supply chain,' Victorian senator Kim Carr, opposition spokesman for innovation and industry, said.

China deal to boost grain boom

China bought almost every shipment of Australian sorghum and barley for the first time ever this year, highlighting the importance of agriculture to a trade deal between the two countries that has been agreed but not ratified.

As the selling season comes to an end government figures show Australian exports of barley, sorghum and wheat to China will top \$US1.5 billion (\$2.14 billion) this year, nearly double the value of sales to Indonesia. 'It's a very big change,' said Michael Cole-Sinclair the trading manager at Emerald Grain in Melbourne.

Milk Impasse Threatens TPP

A complex stand-off over dairy exports could be the key determinant of whether trade ministers seal an agreement on the world's largest regional trade zone or whether it simply dissolves into further delays.

Canada, the US, New Zealand and Japan are all circling each other over the old-style trade issue of dairy export access, despite the fact the Trans-Pacific Partnership is being promoted as a 21st century-style trade agreement that will set the pace for other such deals. As reported in the Financial Review, Trade Minister Andrew Robb said resolution is close.

In commentary in The Age by John Garnaut, the TPP is referred to as the 'most prominent and in some ways the most important manifestation of the US vision for an open and inclusive regional order in Asia.'

Sweeten Our Deal

Tony Abbott faces a Nationals revolt over a watershed Pacific-wide free-trade pact that could see up to five rebel Queensland MPs cross the floor if the deal fails to deliver improved US access for sugarcane producers. Sugar is a make or break issue for Australia as negotiations for the massive Trans-Pacific Partnership covering 40 per cent of global GDP enter a critical stage according to The Australian.

Mixed Feelings Toward China

The ACTU is mounting a ferocious campaign against the trade deal and has called for it to be dumped. Bill Shorten has described it as 'a mess' and a 'bad agreement'. However, aided by the China Australia free trade agreement, several deals promise to be transformative for high-value Australian producers of baby formula, health supplements, skincare and clothing.

Gannon Cannon

Ed Gannon, *Weekly Times* editor, pulled no punches in the opening sentence to his August 27 *Herald Sun* article: 'The Labor Party's campaign to derail Australia's trade agreement

with China borders on treachery. For the sake of making some cheap political, and populist, points at the behest of its union mates, the federal Opposition threatens to wreck an agreement vital to this nation. Vital not just to farmers and rural communities, but for every person in Australia.

As the brainchild of Tasmanian rural estate and pharmacy owners Peter and Elizabeth Hope, their joint venture will enable mother and baby clubs to be set up in public and private maternity hospitals across China. Staffed by nurses, the clubs will provide medical checks and advice, as well as access to a range of Australian products as reported in The Age.

Suburbs Invest in China

An outer-suburban council will send a four-person economic delegation to China for which 'any real benefits could take 10 to 20 years to materialise'. City of Casey councillors voted to approve the 2016 week-long trip for the mayor, another councillor and two council officers. Two business representatives will also join the trip at their own cost. In the Herald Sun, a report by Casey's economic development manager, David Wilkinson, said the delegation would seek an economic partnership with a Chinese city or municipality 'to further trade opportunities for many of our local businesses.'

Industry Down the Gurgler

Ford Australia's boss has blasted a federal proposal to allow buyers to import their own new cars. Graeme Wickman, who was also speaking on behalf of the Federal Chamber of Automotive Industries, expressed concern this could make it more difficult to identify cars repaired after a crash and to trace vehicles requiring recall as reported in the Herald Sun.

US Sugar Moves Sour for Australia

As reported in the Financial Review, American sugar growers are donating millions of dollars to presidential candidates including Jeb Bush and influential Congress members, as part of an aggressive lobbying campaign to shut out Australian cane growers under a planned Pacific Rim trade accord.

Trade and Investment Minister Andrew Robb is frustrated about the disproportionate influence that sugar lobbyists appear to wield over the Obama administration and Congress members in the Trans-Pacific Partnership negotiations.

REFUGEES/ IMMIGRATION.

Christian, Muslims Both Welcome

As reported in The Age, religion is irrelevant if children are drowning at sea and Australia should not favour Christians when deciding which Syrian refugees deserve sanctuary, Opposition Leader Bill Shorten says.

We Saved Lives

Border officials saved the lives of asylum seekers on a boat whose crew was allegedly paid to return to Indonesia, the head of Australia's border security operations has revealed, saying the vessel was struggling in bad weather and had called for help according to The Age. The statement by Major-General Andrew Bottrell indirectly rejects claims by Indonesian police that Australian authorities sent the asylum seekers back on a 'suicide mission'.

Foreigners Long-Term Fix

Thanks to foreign workers, we've avoided a real recession and greater unemployment. Temporary migration was Paul Keating's last great reform and John Howard's first, and has done much more to introduce flexibility to the labour force than is generally appreciated.

A Keating-era review's recommendation for a new visa for temporary entry was implemented by Howard soon after his 1996 election, although it was aimed initially at business executives. During Howard's second and third terms, he oversaw a huge expansion of Australia's migration program based on permanent and temporary entry. Increasingly temporary and student entry became the main paths to permanent migration according to David Uren in The Australian.

Ethical Debate Looms

Two of Australia's biggest superannuation funds have dumped shares in Transfield Services citing concerns about human rights inside the offshore asylum seeker camps the company runs for the Australian Government. Detention centre work, like that on Manus Island, contributes up to 20 per cent of Transfield's total revenue. Another half a dozen other industry funds are conducting a similar review as reported in The Age.

Syrian minorities put at front of queue

As reported in the Financial Review, Christians, Yazidis, Jews and Druze refugees from Syria are more likely to be allowed into Australia than Shia Muslims because the government will prioritise families and persecuted minorities.

In a transformation of the political debate about refugees, the major parties dropped hostilities to look for a bipartisan position. An increase could hit the budget. In 2013, the Coalition booked \$1 billion in savings by cutting humanitarian immigration from 20,000 to 13,750. **12,000 syrians are being received into Australia imminently.**

We Are Here to Stay

Save the Children Australia is urging refugee activists to recognise turn-backs of asylum-seeker boats are 'here to stay' and instead focus their energy on building consensus around a regional plan for processing and resettling refugees. In a plea that will infuriate some refugee lobbyists, the respected charity warns that continued opposition to turn-backs, including through 'strategic litigation', could waste the opportunity for an 'improved policy in the hope of a perfect one' according to The Australian.

Boats stopped

Australia has turned back 20 asylum seeker boats with more than 600 people on board since the Federal Government came to power almost two years ago. Immigration Minister Peter Dutton made the rare disclosure surrounding Operation Sovereign Borders while confirming it had been 12 months since people smugglers had completed a successful journey as reported in the Herald Sun.

TAX.

GST to pay for Income Tax Cuts

As reported in the Financial Review, the Federal Government has rekindled the prospect of paying for its promised income tax cuts by increasing the GST, earning it the support of the NSW government but the condemnation of the federal opposition.

Personal Tax Cuts on Poll Agenda

According to The Australian, the Federal Government will take options for personal income tax cuts to next year's election, with the multi – billion – dollar cost to be covered by reductions in spending.

Joe Hockey is using the tax white paper process to look at both the top end of the income scale, where high tax rates are choking entrepreneurialism and work incentives, and at the interaction of taxes and welfare benefits lower down the income scale.

Commonwealth Bank chief executive Ian Narev has backed indirect taxes such as the GST, declaring they produce more reliable revenue and are less of a drag on growth than direct taxes as the economy shifts towards services.

Speaking ahead of this week's National Reform Summit, jointly backed by The Australian and The Australian Financial Review, Narev said the current debate about the right tax mix was an 'important discussion' but the key would be implementing change in a 'progressive way with a focus on individuals who are less well – off or facing other challenges'.

Uber and Airbnb to Face Grilling Over Tax Practices

According to the Financial Review, share – economy companies Uber and Airbnb are the latest multinationals to be dragged into a potentially embarrassing grilling by a parliamentary inquiry into corporate tax avoidance. The Senate standing committee on economics will write to Uber and room-sharing service Airbnb inviting them to make a written submission to the inquiry into the use of offshore tax havens by multinational companies.

Tax Cuts are A Sham if Bracket Creep is Rife.

As reported in The Age, successive governments have allowed bracket creep in order to increase the income tax take and help get the budget into surplus as reported in The Age.

Medicare Levy Division

NSW and Victoria are at loggerheads after a tax reform meeting, with NSW wanting an increase in the GST, while Victoria wants a higher Medicare levy according to The Age.

Get Low

Joe Hockey says he is considering a GST on all overseas goods bought online. The Treasurer left open the option of scrapping the tax-exempt status of internet shoppers for items less than \$1000. He had previously flagged lowering the threshold to \$20 to bring Australia in line with Britain, Canada, and the US according to the Herald Sun.

TOURISM.

New Zealand Bumped to Second Spot

As reported in the Herald Sun, China and Hong Kong are poised to overtake New Zealand as the biggest source of tourists to Australia in a landmark development for the hospitality sector.

The shift will occur mid next year, based on current trends, a news report says. After years of stellar growth, the number of tourists from China and Hong Kong hit 1.14 million in the year to June – up 17.5 per cent on the previous year. Five

years ago, fewer than 600,000 tourists visited from Hong Kong and China each year.

CLIMATE CHANGE. ENVIRONMENT. ENERGY.

War on coal a dirty business

Like the butterfly effect in chaos theory, a small court victory by a fringe environment group in a remote part of north Queensland has impacts well beyond the yakka skink and ornamental snake that caused it. According to Graham Lloyd in The Weekend Australia, environmentalists have claimed a win but global numbers back the industry.

Of itself, the Federal Court win by the Mackay Conservation Group, which has forced federal Environment Minister Greg Hunt to remake a decision on Indian conglomerate Adani's Carmichael coalmine, is of little real consequence for the \$16 billion project.

In this global attack on the future of fossil fuels, Australia has become the frontline. The country has been targeted, along with the US and Germany, as one of the first that should voluntarily surrender coal.

The International Energy Agency says global electricity from coal is expected to grow by about 33 per cent to 2040. Demand for coal in Southeast Asia alone is expected to increase by 4.8 per cent a year through to 2035.

A new paper published in US journal Proceedings of the National Academy of Science says the world is, indeed, 'witnessing a global renaissance of coal driven by poor, fast – growing countries that increasingly rely on coal to satisfy growing energy demand'.

The PNAS paper is not a celebration of coal. It is meant as a wake – up call that, without deep pockets and a new approach, the climate change ambitions being sought in Paris later in 2015 are destined for disappointment.

Emissions target leaves Australia trailing pack, say critics

As reported in The Age, Australia will halve its emissions per person over the next 15 years, the Federal Government says, under a long-awaited climate pledge it predicts will cut harmful greenhouse gas emissions without sacrificing the economy.

Critics say the promise to reduce emissions by 26 to 28 per cent by 2030, based on 2005 levels, and would leave Australia trailing the international pack, despite the country being among the worst greenhouse gas polluters per capita in the Western world.

Companies, investors and climate experts have questioned whether the target is strong enough to meet a global agreement to help limit warming to 2 degrees above pre-industrial levels to avert the worst climate changes.

McKibbin says climate target at 'high end'

As reported in the Financial Review, the Prime Minister's hand-picked economic modeller has rejected claims by the Climate Change Authority that Australia is not pulling its weight in global climate change efforts.

Warwick McKibbin, an internationally recognised economic modeller, writes in an opinion piece published in today's Australian Financial Review that 'to argue that Australia is not making a large contribution to the overall effort for Paris is incorrect'.

This contradicts a statement by Bernie Fraser, the Labor-appointed chairman of the Climate Change Authority, two weeks ago that the Federal Government is shirking the task of tackling climate change because its emissions reduction target is near the bottom of pledges by rich countries.

ENVIRONMENT.

Being Green In Paris

Australian political and business leaders, NGOs, and green groups will be among representatives from 196 nations descending on Paris for the UN-sponsored climate summit, scheduled to begin on November 30. So reported the *Herald Sun*. Many concede the cost of the exercise, but they argue that there is no alternative to it, if legally binding global emissions targets are to be achieved.

Cars And Fridges 1

The *Financial Review* reported, in its August 13 number, on an energy efficiency drive that could include imposing European or US fuel efficiency standards upon motor vehicles sold in Australia, or encouraging energy-efficient refrigerators. Such a drive is supposed to deliver about one-third of the reduction required to meet the federal



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government's own target of cutting emissions by

26 per cent below 2005 levels in 2030. **Tony Wood**, speaking on behalf of the **Grattan Institute**, expressed the idea thus: 'The thing about energy efficiency is that it pays for itself. People are already doing it.'

Cars & Fridges 2

Michael Bennett's organisation operates a 'plasma arc' furnace in Laverton, Victoria that converts about 600 tonnes a year of gases recovered from old fridges and air conditioners into harmless salty water. If they leaked into the atmosphere, each tonne of refrigerant would have the same effect as up to 1400 tonnes of carbon.

As reported by Geoff Winestock in the *Financial Review*, when the government announced its target this week to cut greenhouse gas emissions to 26 per cent below 2005 levels by 2030, it said it was counting on programs that cut refrigerant emissions to deliver about 5 per cent of the total reduction.

Bennett says this is possible, but can only work if the government imposes tighter standards to make sure more of the refrigerant gas from car air conditioners, fridges and home air conditioners is brought to Laverton at the end of the appliance's life. The appliances will have to be serviced more frequently during their lives.

The government is acting as if cutting emissions by 26 per cent will be a cinch. Hunt has spent most of the week on radio talking up minor actions such as refrigeration management and spruiking the Direct Action auctions where the government pays for the planting of carbon-absorbing trees.

Business is telling the government to stop telling fairy stories and say what it plans for the electricity generators, manufacturers and mining companies that account for over two thirds of emissions.

Abbott Changes Political Climate

As reported in *The Australian*, Tony Abbott has pledged to halve Australia's per capita emissions by 2030, with a new 26 to 28 per cent carbon pollution reduction target that puts 'jobs and growth' first and sets the scene for a new battle on climate change politics with Bill Shorten.

Sid Maher said 'Abbott will continue to face criticism that Australia's target is too low. But he is banking on the hip pocket of Australian voters trumping the views of international climate diplomats.'

David Crowe said 'The fact is that the difference between an Australian target of 26 per cent or 30 per cent (or more) will have little impact on a UN deal in Paris, a cut to carbon pollution or global temperature rises.'

PM Pushed to Ease Carbon Cuts Cost

As reported in *The Australian*, Tony Abbott will face continued pressure from business groups to allow the purchase of international permits under his climate change scheme in an effort to reduce the cost of meeting Australia's target of cutting carbon emissions by 26 – 28 per cent by 2030.

Uncertain Renewable Energy Target

According to the *Financial Review*, if the reset of Australia's renewable energy target RET, in June

was intended to give investors certainty, it is not delivering. Industry watchers say the major problem is that the RET, and the renewables sector in general, it has become inherently politicised.

After a government review – and intense cross-party negotiations on Capital Hill – the RET, a federal government policy designed to ensure a minimum amount of Australia's electricity comes from renewable sources by 2020, was reduced from the previously legislated 41,000 gigawatt hours (GWh) to 33,000 GWh, in part because the government wanted the target reduced to reflect lower overall energy use across the economy.

The new target will actually double the amount of large-scale renewable energy being delivered by the scheme compared with current levels, and means that by 2020, about 23.5 per cent of Australia's electricity generation in 2020 will be from renewable sources.

Pacific Push Strengthens

As reported in *The Australian*, Tony Abbott is under intensifying pressure from low-lying Pacific states to commit to a target of limiting global temperature increases to 1.5C ahead of the UN Paris climate conference in December.

The Prime Minister arrived in Port Moresby recently for a Pacific Island Forum meeting expected to be dominated by climate change.

Earlier that week, Kiribati President Anote Tong canvassed the prospect of Australia and New Zealand leaving the 16-member regional grouping if they did not help combat dangerous climate change by committing to the 1.5C target.

Less Coal, More Trees Recipe for Climate

As reported in the *Financial Review*, Australia needs to shut down old brown - coal power stations, control fugitive carbon emissions and ramp up reforestation programs if it is going to have any chance of achieving new carbon reduction targets by 2030, a RepuTex report finds.

A new report by carbon consultants RepuTex, to be released on 31 August 2015, found that to make inroads on the current business – as – usual position to meet the new post – 2020 targets would require reductions of about 2.5 billion tonnes of carbon over the next 15 years.

Target the 'Vigilantes'

An analysis of the Environmental Protection and Biodiversity Conservation Act by progressive think tank the Australia Institute has found only a fraction of the roughly 5500 projects referred since the act's inception in 2000 have been challenged using 'third-party appeal rights' according to *The Age*.

The government plans to amend section 487 of the Environmental Protection and Conservation Act to remove the power of so-called 'third parties', such as environmental groups, from intervening in referrals from the minister under that act, via the courts. Labor and the Greens said they would not support the government's proposal, meaning the government will need cross bench support if its plan is to pass the Senate.

Dollars and Sense

A Labor government may have to pay compensation to coal and gas-driven power

stations to meet its aim to generate half Australia's electricity from wind, solar and other renewable sources. One of Australia's top electricity-industry consultants, CME principal Bruce Mountain, said conventional power stations wouldn't be able to compete with subsidised wind and solar power and would need their own subsidies to stay in business according to **theFinancial Review**.

Radical Climate Change

The future of renewables in Australia would be destroyed if 'radical' recommendations from a Senate inquiry into wind power are adopted, the clean power industry says. The inquiry is led by anti-wind power crossbenchers David Leyonhjelm, John Madigan and Bob Day.

According to *The Australian*, the report will urge the Federal Government to restrict renewable energy certificates for new wind farms to a period of five years, down from more than 20. The certificates are a type of subsidy that support wind and other clean power projects. The report will also recommend the certificates be granted only to projects in states that adhere to federal rules on infrasound and low-frequency noise.

Carbon Madness to Newcastle

As reported in the *Financial Review*, like trying to sell coal to England's Newcastle, it's hard to make this stuff up. Like the City of Newcastle councillors, whose finances depend on the world's biggest coal port, voting recently to pull the NSW council's money out of banks that finance fossil fuel projects.

Truly Unscientific

Labor has described Tony Abbott as the 'most unscientific leader' in Australia's recent history after he claimed the party's ambitious renewable energy goal would cost consumers \$60 billion. Abbott said Labor's pledge to source half the nation's power from renewable sources by 2030 was 'truly bizarre' and a 'massive hit on consumers and jobs' according to *The Age*.

Miners Target Tax Concessions

The flow of tax-deductible donations that helps finance anti-coal litigation is under threat after the Minerals Council called for an immediate crackdown to ensure tax concessions worth up to \$45 million are not being misused according to *The Australian*.

Those concessions are used by 614 green groups, including the main organisations challenging Queensland's Carmichael coal project, to enable their supporters to reduce their taxable incomes. The organisations that have benefited from this arrangement include the state Environmental Defender's Offices that have been running legal challenges against the Carmichael project as well as the main anti-Carmichael litigant, the Mackay Conservation Group.

Throw It Into the Wind

The Federal Government is being urged to strip billions more from subsidies to wind farms in the final report of a Senate Committee that has already pushed renewable energy investment to favour solar. In its recommendations, the committee says renewable energy subsidies for new wind farms should be limited to five years for more than 20 as reported in *The Australian*.

Climate on the Agenda

Australian industries could still be able to offset their carbon pollution by trading international permits, in a sign the Federal Government's new plan to cut emissions by 26 percent to 28 per cent from 2005 levels by the end of the next decade. Prime Minister Tony Abbott and his ministers said business had been assured that the option of buying such permits had not been shut off and would be reexamined in 2017-18 or later, well after the next federal election according to The Australian.

AGRICULTURE. CATTLE. WATER.

Mega Dairies are Coming.

Gina McColl reports on whether it's a threat to local farmers and animal welfare. As reported in the Sunday Age, milk produced by huge herds housed permanently in barns longer than the MCG. Milk extracted by robots up to five times a day (and night) from cows fed an individually tailored diet, and drug regime when they get sick, for optimum production. Henry Ford is taking over Old McDonald's farm.

Industrialised dairy, long established in the United States, Middle East and China, has arrived in Australia, driven by global competition, thirsty export markets, and a spate of corporate and Chinese interest. Most experts say the changes are gaining momentum. Some see intensification as inevitable.

In mega-dairies such as these, cows are generally housed permanently indoors, fed a blend of grains, vitamins, proteins and other additives known as 'total mixed rations' (T) and milked by robotic machines. Housing cows and milking them voluntarily conserves their energy for milk production, none is 'wasted' on staying cool or warm, grazing or walking to the dairy.

Murray Goulburn's Sour News on Price

Australia's biggest farming co-operative, Murray Goulburn, has warned it may be forced to cut the price it pays to farmers below the crucial \$6 – a kilogram barrier following an ongoing decline in milk prices, but the processor has defended keeping the farmgate price high following criticism from industry rivals.

Murray Goulburn reiterated yesterday that it planned to maintain a \$6 per kilogram of milk solid pricing for the third successive year in 2016 following its \$5000 million capital raising and recent listing of a unit trust on the ASX.

But it warned the price it pays farmers for milk was more likely to be in the range of \$5.60 – \$5.90 a kilogram while profit to shareholders could now be between \$66m and \$79m in 2016 if there was no rebound in commodity prices in the December quarter and into the second half of 2015. In May the processor was forecasting a milk price of \$6.05 a kilogram and an \$86m profit.

Raw Deal for Dairy

The Herald Sun reported farmers could see 40c slashed from the price they receive for milk as weak global dairy markets take a toll. Dairy giant Murray Goulburn has warned it could be forced to cut the farmgate price it pays for milk unless dairy commodity prices around the world 'materially strengthen' in 2015.

Farmers' Greener Pastures

Australia's \$8.5 billion cattle industry is revealing a rapid return in profitability, with most of the nation's 27,300 beef producers enjoying a long awaited doubling of their income in the past financial year.

New government figures show that in 2014-15, average income on northern cattle stations jumped 91 per cent to \$148,000 a farm, while specialist live export producers will see a leap in their annual income to \$277,000 according to The Australian.

Withering On The Vine

Tough times are afflicting viticulture in the Hunter Valley and elsewhere in the land. *The Australian*, that according to the Winemakers' Federation of Australia, around '85 per cent of Australian grape-growers made a loss on their grapes in this year's harvest.' Viticulturist **Tom Stephens** said growers had become increasingly beholden to winemakers who could set their own prices. Hunter Valley winemaker **Andrew Margan** said the onus was on grape-growers to use their farmland for more profitable produce.

MEDIA. SPORT

Seriously Bad News

Journalism isn't investigating its own problems with enough urgency, according to former Four Corners and The Australian journalist Andrew Fowler.

Media's concerns are more than just the malaise of one sector, he adds. The demise, or debasement, of journalism will affect democracy. 'We've never been without it and if we are without it I think we'll find the world will be a far more difficult place for governments to live in with an ill-informed population, and for large corporations'.

Fowler is aware enough of the seeming self-importance of such statements but his new book, **The War on Journalism**, paints a worrying picture of the effects of economic disruption, government power, moral duplicity and technological advances on how media does its job.

Nation Awaits Football Feast

According to The Australian, The Australian Football League has confirmed its status as the hottest commodity in sports broadcasting, signing a \$2.508 billion TV rights deal to cement its position as the nation's No 1 football code.

After a week of tense negotiations, the AFL agreed to the richest sports deal in Australian television history with Fox Sports, the Seven Network and Telstra, extending the existing contracts held by all three broadcasters. Hird resigned on 15 August 2015 after the board unanimously decided it no longer wanted him to coach.

More Than Ever Before

It seems only yesterday that sociologists were saying how worried they had become about the decline in voluntary associations. But one form of voluntary association, at least, is absolutely flourishing in Australia. AFL club membership has reached a peak. Of the 18 clubs involved, 12 have announced the highest numbers of members in their history.

The *Herald Sun* announced that total AFL club membership has reached 836,136. This figure represents an increase of 3.93 per cent on last year's level. Or, to put it another way, one out of every 28 Australians is an AFL club member.

Even in long-resistant New South Wales, the AFL has started to do exceptionally well. Sydney experienced a spectacular 21.71 per cent rise in membership numbers from 2014. This is a rise unparalleled by any club elsewhere in Australia, and today, Sydney's membership total is 48,836.

Statistics show that now, for the first time, Port Adelaide is bigger than Adelaide. The figure for Port Adelaide has grown to 54,057, a very respectable 10.39 per cent jump from last year. Nationwide, the single biggest club is still a Melbourne one: Collingwood, with 75,037 members, although that represents a slight drop on its 2014 level.

JUSTICE.

Union Officials Flag

As reported in The Age, union officials who have appeared before the royal commission into union corruption, including Opposition Leader Bill Shorten, could take legal action against commissioner Dyson Heydon, on the basis of a perception of bias against them, an expert says.

Prosecutor Top Judge

As reported in Herald Sun, senior prosecutor Peter Kidd, SC, has been appointed Chief Judge of the County Court. Kidd, 49, is a senior prosecutor at the Office of Public Prosecutions and has served as a war crimes prosecutor overseas.

'A Subculture of Brutality'

As reported in The Age, a chaplain at one of the country's most prestigious private schools tried to hypnotise students before sexually assaulting them, a victim told the Royal Commission into Institutional Responses to Child Sex Abuse.

The royal commission turned its focus to Geelong Grammar, where serious and ongoing sexual abuse occurred from the late 1950s until 2007.

Thwarted terrorists 'need help'

As reported in The Australian, a squad of young, highly trained Muslim caseworkers is urgently needed to deradicalise would-be jihadists grounded from travelling to Syria and Iraq and stranded in Australian suburbs, counterterrorism experts have warned.

The growing number of people intercepted by Border Force guards at Australian airports and, in some cases, stripped of their passports has exposed the lack of follow-up work being done to try to convince frustrated jihadists to abandon their distorted views.

A specialist Countering Violent Extremism unit within the federal Attorney – General's Department is working with state governments to develop intervention programs aimed at preventing radicalisation and, in some cases, engaging radicals after they have been turned back from inside the border.

There is concern within government, academia and Muslim community groups that these programs have not been developed quickly enough to keep pace with the problem.

ACCC on Competition Law Enforcement

The ACCC Chairman Rod Sims discussed the ACCC's enforcement of competition law as it applies to alleged union behaviour in the general industrial relations arena, outlined current investigations and described difficulties with current laws.

In 2014, in a major matter, the ACCC instituted proceedings against the CFMEU and others alleging 12 cases of breaches of the secondary boycott provisions, one case of an attempted breach of section 45E of the CCA, and one instance of a breach of section 50 of the Australian Consumer Law (undue harassment or coercion). The ACCC currently have two further in-depth secondary boycott investigations underway, one at an advanced stage.

Children Not Safe

Child sexual abuse is rife in Victoria's residential care units, with more than 120 reports of sexual assaults in the past 10 weeks. Commissioner for Children and Young People Bernie Geary said the reports pointed to a flawed system that was supposed to protect Victoria's most vulnerable young people as reported in The Age.

Dobbing in Dealers the Right Thing

According to The Age, Prime Minister Tony Abbott has ruled out financial rewards for people dobbing in ice dealers but hopes they will do so out of a sense of duty. The Federal Government has allocated \$1 million to Crime Stoppers to expand a Victorian 'dob in a deal' campaign nationally. The campaign has led to a 400 per cent increase in drug tip – offs. 'We need to mobilise against drugs,' Abbott said in Brisbane.

BROADBAND. IT.

\$30m for NT Mobiles

As reported in the Herald Sun, Telstra and the Northern Territory Government will pay \$30 million for mobile phone and fixed broadband in remote Aboriginal communities.

Telstra is also investing \$4 million over three years for digital literacy, cyber safety and telehealth programs. A full list of which communities will receive upgraded services will not be available until next month, but Chief Minister Adam Giles said work would start on Groot Eyelandt.

'It's very important we keep all communities in Australia connected,' Telstra CEO Andrew Penn said.

Internet Blow Up

A \$15 billion blowout in the cost of building the National Broadband Network, partly caused by the slow rollout of key broadband services, could make the internet more expensive for Australians, M2 Group chief executive Geoff Horth warned. NBN has revealed that project costs would increase by as much as 36.6 per cent to \$56 billion up from the \$41 billion previously forecast.

Huawei Ban.. perhaps

Communications Minister Malcolm Turnbull has confirmed there may be circumstances where telcos are told they cannot use a certain company's telecommunications equipment under new controversial national security laws.

This could mean companies deemed a security threat by the Australian Government, such as Chinese Telecommunications equipment maker Huawei, could lose business in Australia.

The Communications Minister was responding to concerns from telcos that they could be barred from using particular equipment under the new laws, part of the so-called Telecommunications Sector Security Reform Scheme according to The Age.

High-Tech Industries Hampered by High Import Duties

As reported in the Financial Review, the mining boom is fading fast and the economy needs some new drivers. Experts say there are handbrakes on high-end manufacturers that might provide part of the answer, as import duties as a percentage of the nation's overall economy are three times the size of many other countries.

This means high-tech firms, such as the makers of medical devices who import many components for their-Australian-made products, are at a cost disadvantage compared with overseas rivals.

A Bite Out of the Apple

Telstra is taking on Apple and Google with a new device that hosts streaming video services such as Netflix and marks the completion of its media strategy. The Age can reveal that the telecommunications giant will launch Telstra TV in September with a device which connects to TVs and hosts apps that play catch-up TV and streaming video services such as Netflix, Stan and Youtube.

HEALTH

Medical Students Humiliated

As reported in The Age, three quarters of medical students are taught by routine humiliation in hospitals with almost all students witnessing some form of mistreatment, according to a new study. The report, published in the Medical Journal of Australia, found many students were disgusted by their treatment and some regretted entering the medical profession.

WELFARE.

National Disability Debate Moves to Cabinet

According to the Financial Review, an internal debate within the Federal Government about its approach to the National Disability Insurance Scheme has moved from the expenditure review committee to the full cabinet, as Disabilities Minister Mitch Fifield insists the scheme will go ahead as promised.

Evidence now say that Treasurer Joe Hockey is against signing an imminent deal with the NSW government, which would establish the basis on which the scheme would move from a series of trials to a full rollout of the scheme in July next year, that he was opposed by Finance Minister Mathias Cormann and Social Services Minister Scott Morrison, and that the issue was left unresolved by ERC.

2015's budget papers put the cost of the NDIS at \$38 billion over the next four years, of which the federal government is to fund \$18.9 billion, making the nascent scheme a constant source of angst within the cash-strapped government.

There is another point of contention with the states about the NDIS. They want early access to

funds being collected under the Medicare levy established to fund the scheme. Whatever the merits of their arguments for a change in the arrangement, the revenue is boosting the federal government's apparent bottom line while it remains undistributed.

Razor Gang Brawl on Disability Scheme

As reported in the Financial Review, divisions have emerged within federal cabinet's powerful expenditure review committee about the national disability insurance scheme amid a renewed push to try to slow down its rollout, only weeks before Canberra is due to sign deals with the states on the multi-billion dollar scheme.

This year's budget papers put the cost of the NDIS at \$37 billion over the next four years, of which the federal government is to fund \$18.9 billion, making the nascent scheme a constant source of angst within the cash-strapped government.

However, any change to the scheduled rollout would raise howls of protest from the politically sensitive disability community, causing new political problems for the embattled Federal Government and embarrassing the newly re-elected NSW Premier Mike Baird.

Apart from its significant cost, the NDIS remains vulnerable to Coalition suspicions, partly because it was a scheme commenced by Labor, and partly because of concerns about its capacity to keep costs constrained.

The previous Gillard government announced the NDIS after commissioning a report from the Productivity Commission which found that it would deliver better outcomes for both disabled people and national productivity than current arrangements which were rapidly becoming financially unviable.

Father's Day Gift of \$4.5m for Sheds

Aussie men doing it tough will benefit from a Father's Day federal funding boost for Men's Sheds across the country. Prime Minister Tony Abbott announced an extra \$4.5 million for the sheds program.

Funding under the National Shed Development Program had been due to run out in June 2016. Men's Sheds serve as meeting places where men can find social support.

There are 800 men's sheds across the country, with more springing up all the time. The development program provides competitive grants of up to \$8000 to allow sheds to maintain their space, buy new tools or start new projects.

Rules to Knuckle Down on Childcare Rorts

As reported in the Herald Sun, new rules to stamp out widespread rorting of payments through 'child swapping' in the family daycare sector will be released by the Federal Government.

The practice, where families and their friends care for each other's children so they can claim childcare benefits, costs taxpayers hundreds of millions of dollars annually.

Social Services Minister Scott Morrison told the Herald Sun the revised measures struck a balance between targeting shonky operators across the sector and safeguarding legitimate

operators and the families who depended on them. Morrison said the new measures would prevent child swapping and ensure the sector operated as intended.

NDIS Trials Earn Tick from Disabled

More than 17,000 Australians are participating in trials of the National Disability Insurance Scheme and 95 per cent have rated their experience as 'good' or 'very good'.

With just one year of the trial phase remaining, the number of people taking part has exceeded expectations in every state and territory except NSW, Western Australia and the Northern Territory.

Participants of the trials had received \$952.8 million in support as of June 30 – in line with initial cost projections – and the average annual package costs were approximately \$38,423. Labor is pressuring the Federal Government to sign agreements with the states to finalise the full rollout of the NDIS.

Disabled in the Chair

An internal debate within the Federal Government about its approach to the national disability insurance scheme has moved from the expenditure review committee to the full cabinet.

Sources say that Treasurer Joe Hockey is against signing the imminent deal with the NSW government which would establish the basis on which the scheme would move from a series of trials to a full rollout of the scheme next July.

Hockey was opposed by Finance Minister Mathias Cormann and Social Services Minister Scott Morrison, and that the issue was left unresolved by ERC. This year's budget papers put the cost of the NDIS at \$38 billion over the next four years.

Card Puts on Brakes

A proposed 'technologically advanced' cashless welfare card will link to recipients' mobile phones and restrict them from spending payments on gambling and alcohol. The legislation for the welfare debit card, known as the healthy welfare card, allows recipients to access 80 per cent of their payments on the card. By linking them to their phones, it will tell them when their Centrelink payment arrives, what they have spent and if their balance is running low according to The Age.

Autism Explosion

As rates of autism diagnoses soar around the world, the tale of two Australian families struggling to pay for expensive early-intervention therapies for their children, one by themselves, the other through government, underscores the divisive cost. In South Australia, where The Australian revealed children with autism now made up 46 per cent of the delay, oversubscribed National Disability Insurance Scheme trial, the Andrews family had to fight to get a \$40,000 package from the scheme for son David, 4.

The agency responsible for the \$22 billion NDIS is reeling as it comes to grips with the rising numbers of eligible children, engaging in an off-the-books 'rationing' of packages lest it risk the scheme's financial sustainability further down the track. At the heart of the issue is the fact the former Federal Government was misled over the

numbers in South Australia but the NDIS agency is also struggling to apply a uniform interpretation of what are 'reasonable and necessary' supports for children with autism spectrum disorders.

Medical Marijuana Backing

Senators from across the political divide will endorse a bill to legalise medical marijuana despite warnings it could create a regulatory nightmare. Fairfax Media can reveal that a committee made up of Coalition, Labor and cross bench senators will strongly recommend that Parliament pass a cross-party bill to set up a medical marijuana regulator. Spearheaded by Greens leader Richard Di Natale, the Regulator of Medicinal Cannabis Bill would effectively make the Federal Government responsible for overseeing the production, distribution and use of the drug.

The Australian Medical Association Victoria branch was among health groups, patients and families to throw their support behind the use of cannabis in 'exceptional circumstances' in submissions made to the Victorian Law Reform Commission.

Health Under Attack

Health officials have been savaged over the failure to adequately account for the payment of \$14 billion to pharmacists, with a parliamentary committee hearing that just one page documented negotiations around the nation's medicines supply-chain deal. The five-year deal, which was struck under the former Federal Government, provided for the payment of more than 5400 pharmacies for their role in dispensing Pharmaceutical Benefits Scheme-listed medicines.

But the arrangement between the government and the Pharmacy Guild of Australia has been widely panned for its lack of transparency and accountability, potential conflicts of interest regarding the guild's dual roles as an administrator and beneficiary of funds, and its failure to deliver promised savings to the national health budget. A damning report was released by the Australian National Audit Office in March.

Former MP's Digging for Gold

A group of former federal MPs have launched High Court action to boost their already generous parliamentary pensions and reclaim unlimited travel allowances. In a bid that has angered their parliamentary colleagues, The Age has revealed that Labor's Barry Cunningham, Tony Lamb and Barry Cohen and Liberal John Moore issued the court with a writ of summons seeking a boost to their already generous post-Parliament payments.

Catch – Up Super Payments

As reported in The Australian, the government faces a push to change superannuation tax rules to allow people with broken work histories – particularly mothers – to make catch – up payments to boost their retirement incomes.

The move has been strongly backed in submissions to the government's tax white paper and comes amid concern about lower super balances held by women.

TRANSPORT

Fast Flight into Future

As reported in the Herald Sun, flying from Australia to London in under three hours on a planet – friendly plane is the future of aviation,

says Sir Richard Branson. The Virgin founder, who is in Australia for a series of motivational lectures, said there was little more airlines could do in – flight to enhance the experience for passengers.

EDUCATION.

Spelling, Writing Back In Fashion

As reported in The Australian, students will spend more time learning spelling and handwriting in the new back – to – basics school curriculum prepared for state and territory education ministers. The Australian Curriculum, Assessment and Reporting Authority has binned convoluted sections of the primary school curriculum.

Schools will no longer have to teach seven year old children to 'understand that language varies when people take on different roles in social and classroom interactions and how the use of key interpersonal language resources varies depending on audience and context'.

Instead, Year 2 students will learn to use digraphs, long vowels, silent letters and syllables to spell words. The cutback curriculum, ordered by federal, state and territory education ministers after an independent review last year, will focus on the basics of phonics, spelling and handwriting all the way through school.

Curriculum Shift to Core Skills

History and Geography will be scrapped as separate subjects in the new national primary curriculum and schools will be forced to teach phonics-based reading from next year. The back to basics curriculum - to be considered by state and territory education ministers next month will cut the content taught in primary schools. A new Humanities and Social Sciences subject will merge the existing topics of history, geography, civics and citizenship, and economics and business into a single learning area, The Australian revealed.

The new curriculum will also mandate the use of phonics to teach children to sound out words and syllables, instead of making them learn by heart or making them guess words through the contentious 'whole language' approach still favoured in many schools. Education Minister Christopher Pyne said the new curriculum would have a 'laser-like focus' on literacy and numeracy. Australian Curriculum, Assessment and Reporting Authority chairman Steven Schwartz said it was 'scandalous' that nearly one in five Australian teenagers could not read properly.

Paying for Fake Skills

International student colleges are allegedly taking cash kickbacks in return for helping overseas workers and students win Australian visas using fake qualifications. Immigration offered TK Melbourne Education and Training College the ability to apply for the expedited visa process in March, even though the Australian Skills Quality Authority had weeks earlier found the college to be in 'critical non-compliance' with national standards.

The revelations came after the Australian Federal Police charged the owners of another international college, the St Stephens Institute, with serious fraud offences. The police began a probe last November after Fairfax Media provided the AFP with evidence the college was involved in

suspected criminal conduct and the exploitation of dozens of overseas workers subcontracted to work for Australia Post according to The Age.

Deregulation Questioned

Influential higher education consultant David Phillips has warned of a 'very large moral hazard' in the federal government's university deregulation package which Education Minister Christopher Pyne is still pushing to pass in the Senate. The federal government has recently had to crack down on private vocational providers which have abused government-provided VET FEE-HELP loans, which are similar to HECS loans in higher education according to the Financial Review.

To Sir, With Love (If You Can Find Him)

Herald Sun columnist **Rita Panahi** recently lamented the fact that according to the latest national figures, eight out of 10 teachers in primary schools are female. This is certainly not a new development. 'Back in 1999, a study by [the] Australian Catholic University suggested the reasons for the shortage of male teachers included the fear of being labelled a paedophile and the belief that working with young children was essentially "women's work".'

She went on: 'Research conducted by academics **Dr Mark Sinclair** and **Kevin McGrath** in 2013 found male students in Australia preferred to be taught by men due to the belief they shared similar interests, experiences and attitudes. It found the presence of male teachers was also considered advantageous to girls, but the greatest benefit was to the social development of boys.'

Australia is by no means the only part of the world where male teachers are greatly outnumbered by female ones. In fact, '25 per cent of British schools do not have a single male teacher. As with Australia, many education experts believe the lack of male teachers has a great deal to do with boys struggling in the classroom. A study by the London School of Economics found male students were more engaged and tried harder in classes led by men. That in turn led to boys scoring higher academic results if they had a male teacher.'

Cut the paperwork

The new *Education Services for Overseas Students legislation* will cut red tape and boost the competitiveness of one of Australia's largest export industries - the education of international students. Universities Australia Deputy Chief Executive Anne-Marie Lansdown said that the legislation would slash red tape, enabling universities to better focus resources on their core mission of education and research.

"These bills retain strong consumer protections while cutting down on the volume of overly onerous reporting obligations on universities. This will free up funds currently spent on report writing and form filling, so they can be redeployed into teaching and learning. We urge Parliament to pass them without delay.'

"The ESOS framework is a vital pillar of the quality assurance regime for Australian international education. Though it is the envy of many competitor nations and a hallmark of good practice for consumer protection, the associated regulatory burden has been growing ever larger. 'Unfortunately, compliance is now at a point where certain provisions are actually limiting

student choice and the capacity of education providers to provide the best options for their students.

Staff Free to Ally

Flinders University vice-chancellor Colin Stirling will not prevent staff from collaborating with academic Bjorn Lomborg, and says a push to prohibit a proposal for a so-called Australian Consensus Centre being put to the federal government is contrary to academic freedom. Professor Stirling said the issue 'cut to the heart of the principle of academic freedom and he would defend the right of the Adelaide-based university's academics to pursue work with Dr Lomborg'.

FOREIGN AFFAIRS

AFP Helps Death Row

Federal police have put more than one person at risk of the death penalty every day for the past five years by co-operating with police forces in countries, mainly in Asia, that execute offenders.

The vast majority of the 1847 people whose names were provided to foreign police forces were being investigated for drug offences in countries where the death penalty is widely imposed and sometimes applied.

Obama Renames Mountain

President Barack Obama is to officially restore Denali as the name of North America's tallest mountain, siding with the state of Alaska in ending a 40-year battle over what to call a peak that has been known as Mount McKinley.

The peak was named Mount McKinley in 1886 after a gold prospector exploring the region heard that Ohioan William McKinley, a champion of the gold standard, had won the Republican nomination for president. But Alaska natives had long before called the mountain Denali, meaning 'the High One'.

ALP Peace Shattered on Mid East Policy

According to The Australian, Labor's fragile consensus on Middle East policy has been shattered with Queensland Labor calling for a future Labor government to 'immediately' recognise a Palestinian state.

Spying Israeli Dolphin Caught

Hamas, the Palestinian militant group, claims it has seized a dolphin that was spying for Israel off the coast of Gaza. Naval commandos found several 'spying devices and surveillance cameras' strapped to the mammal, according to Safa, a Palestinian news agency. 'It is likely that the dolphin was important for photographing and spying on the frogmen (Palestinian divers who Israel fears are allegedly planning on infiltrating the country to commit an attack)' as reported in The Australian.

Unethical Lord Of Ethics

'Scandals make good headlines', wrote John Sewel, a member of the House of Lords, in a recent blog post about efforts to clean up the image of the British Parliament. Now he features prominently, as he faces a police investigation into allegations that he took cocaine with two prostitutes in a London apartment.

Lord Sewel, 69, a former minister whose duties included enforcing parliamentary standards, appeared to be the target of a sting by The

Sun newspaper, which released video images purporting to show him using drugs.

NZ Looking at 40 Flags

There will be two binding referendums to see if there is support for changing the national flag according to The Australian. The first in November will choose a new design. The second in March 2016 will vote on whether to change from the current flag. Both New Zealanders' and Mr Key's position on the flag will be somewhat of a paradox for Australians. Both still strongly support the monarchy, yet Mr Key is in favour of changing the flag, and public support is not obviously against it. New Zealand also retains two national anthems of equal legal status, God Save the Queen and God Defend New Zealand (bilingual and sung in Maori and English).

DEFENCE.

Our troops, and the nation, need a strategy

Government must tell us what victory in the Middle East looks like and how we get there. According to Peter Leahy in The Australian, we should stop from coming back to our shores people whom we know will seek to harm Australians at home. Peter Leahy is director of the National Security Institute at the University of Canberra. He was chief of army from 2002 to 2008.

Japanese Up Ante on Subs

According to The Australian, Japan will this week step up its bid to win the \$20 billion - plus contract to build Australia's new submarines with a visit to Adelaide of a 40-strong delegation of officials and industrialists headed by former Japanese navy commander Admiral Takashi Saito. The delegation will negotiate roles for local industry in the project, considered massive by international standards. Those discussions included detailed briefings by Japan's two submarine builders, Mitsubishi Heavy Industries and Kawasaki Shipbuilding Corporation.

The contact is expected to cost at least \$20bn and through life sustainment of the vessels is likely to cost an additional \$30bn over three decades or more.

The Germans and the French are also closely working for this Job

Ship Plan to Save Seats

The Financial Review reported then Prime Minister Tony Abbott's \$39 billion warship plan (this is separate from the subs) will sacrifice 1,000 jobs in Melbourne to save Education Minister Christopher Pyne's seat, Victorian Premier Andrews claims. Abbott on 4 August announced new frigates and offshore patrol boats would be built primarily in Adelaide in a bid to protect 2500 jobs in naval ship-building.

Senior Liberals had said ahead of Abbot's announcement that as many as three lower house seats would be lost in South Australia at the next election unless the government shored up jobs in the wake of the loss of the automotive industry and a down turn in engineering and constructions.

Premier Andrews said Abbott may have announced most of the work would take place in Adelaide to save federal seats. BAE shipyards in Melbourne, Forgas in Newcastle and ASC in Adelaide have laid off hundreds of worker as

work winds down on the \$9 billion Adelaide – based destroyer construction.

Opposition Leader Bill Shorten called for both the warships and the submarines to be built in Australia and the work to be spread across struggling shipyards nationally. Abbott conceded the naval ship-building industry could not entirely avoid job cuts with the sector due to halve from 2000 to 1000 as work winds down on the \$9 billion project to build three air warfare destroyers.

US Requests Aussie Support

The US has formally asked Australia to expand its air warfare role over Syria, including the potential for RAAF airstrikes against Islamic State terror bases in the strife-torn nation as reported in The Australian. Such strikes have now taken place.

Stopped Dead in Tracks

Every day would be terrorists are trying to fly out of Australia to take up arms alongside Islamic State in Iraq and Syria according to the Herald Sun. The Federal Government has revealed 336 potential jihadists were taken off international flights or intercepted inside departure lounges at Australian airports between August 22 last year and June 30 this year.

We're Under Cyber Attack

Australia is coming under 'unrelenting attack' from online security threats that have more than tripled in three years and are forecast to cost more than \$1 billion in malicious damage from activity including crime and espionage. Federal security agencies have revealed the full scale of the threat and will urge government and business leaders to do more to prepare for growing attacks from criminals, foreign governments and terrorists.

The agencies base their warnings on a 20 per cent increase in the number of cyber-security threats to 1131 incidents last year that triggered a response from the Australian Signals Directorate, the key spy agency within the Defence Department. The number of attacks has increased from 313 in 2011 according to The Australian.

Defence Jobs Rescue

In a joint interview, Defence Department secretary Dennis Richardson and Defence Force chief Mark Binskin told The Australian it was too late to bridge the 'valley of death' shipbuilders faced when current projects run out. To avoid job losses, the previous government would have had to have placed orders for ships at least three years ago and probably much earlier, they said.

The forthcoming white paper, to be released in early September, would be designed to place the industry on a sustainable footing to avoid a jobs crisis. 'While it is too late to avoid the valley of death, you can take decisions now to minimise its impact and to put the industry on a long-term basis', Richardson said.

Watch this space

Japan's bid to secure the \$50 billion deal to build Australia's new submarines is under severe pressure as Tokyo faces a deadline next month to prove it can build the boats in Adelaide. Japan alone among the three bidders has yet to publicly commit to potentially building all the submarines in Australia. The Australian understands Japan, Germany and France will be required to present

Defence with an 80 per cent complete plan detailing how they would build the submarines.

Flagging support for the Federal Government, especially in South Australia, makes it highly unlikely the government would choose a bidder that could not build some or all of the submarines in Adelaide. Sensing this, the German and French shipbuilders, TKMS and DCNS, have said they could build all the submarines in Adelaide.

INDIGENOUS.

PM Goes Bush

As reported in The Australian, Tony Abbott will become the first prime minister to visit the island paradise of Mer, in the Torres Strait, where he will pay tribute at the grave of land rights campaigner Eddie Mabo.

More than 20 years after Mabo secured native title over his beloved island home with the landmark High Court decision overturning the legal doctrine of terra nullius, the Prime Minister will make the symbolic trip as he faces indigenous leaders again this week over the equally historic push for constitutional recognition of First Australians.

Two Out of 10 : Pearson Berates Indigenous Spending Overhaul

As reported in The Australian, the Federal Government's once – in – a – generation overhaul of indigenous spending has failed to deliver reform, instead leaving the entrenched system of 'parasitic' organisations and passive service delivery intact, one of the nation's most respected leaders says.

Noel Pearson gave the Indigenous Advancement Strategy a minimal score, and declared that collecting many streams of indigenous funding into five did not mean the money was being spent any better. 'There's nothing about the IAS that constitutes any definition of reform,' Pearson said. 'The scorecard on reform in relation to the IAS, you wouldn't even say it's two out of 10.'

Mundine Slams Stance

According to the Financial Review, indigenous leader Nyunggai Warren Mundine, has launched an extraordinary attack on the Labor campaign against the China free trade deal, saying it is 'bigoted' and makes him 'deeply angry'.

Grass Looking Green

Indigenous elders fighting for native title on the land of Adani's proposed \$16.5 billion Carmichael coal mine have accused the green lobby of exploiting them and causing bitter divisions. The Wangan and Jagalingou people are split over the mine. Opponents are being bankrolled by conservationists to fight Adani, while supporters within the indigenous group fear the loss of jobs for future generations according to The Australian.

Unbowed by Snub

Angry indigenous leaders have vowed to press ahead with their quest for a unified position on constitutional recognition, regardless of Tony Abbott's unwillingness to fund a new round of consultation specifically for Aboriginal and Torres Strait Islander people as reported in The Australian. After initially rejecting their proposal, the PM has invited the four leaders who proposed a series of Indigenous conferences to debate the issue to have a personal meeting with him.

SOCIETY

Stamps ahead

As reported in the Financial Review, competition regulator Rod Sims warns that Australia Post's plan to jack-up the price of stamps to \$1 is 'not a done deal', as unions gear up for a concerted campaign before a final decision is made in December.

(Then) Communications Minister Malcolm Turnbull has backed the beleaguered mail service's plan to introduce a two-speed mail service, with a regular service operating two days slower than the current delivery speed and the addition of a premium-rate priority service which cost as much as \$2 per letter. But before Australia Post can increase the price of ordinary stamps for their standard, slower service from 70 cents to \$1, the Australian Competition and Consumer Commission must approve the increase.

'There comes a point where you can't do that, now I don't think we are at that point yet ... but I accept its a potential problem.' The ACCC consultation comes as union groups gear up for a concerted campaign to lobby the government with a protest planned outside Australia Post's headquarters

The groups have commissioned a report from ACIL Allen consulting, which shows the mail industry employs 131,709 full-time jobs and contributes \$14.2 billion to the economy. 'It's ridiculous to increase the price of stamps by 43 per cent without considering the full ramifications on the total industry,' Bill Healy of the Printing Industries Association of Australia said.

Media Career slowing down

According to The Australian, Mark Latham's crumbling media career could be beyond salvation, industry experts believe, after his week-long public meltdown. In August Latham's stints with Sky News, Nine's 60 minutes, The Spectator and, most recently, The Australian Financial Review have all ended spectacularly.

Latham resigned as a columnist with the AFR amid controversy about his commentary on issues such as domestic violence and a Twitter account linked to him. Latham delivered an expletive – laden performance at the Melbourne Writer's Festival, in August, leading to comparisons with his public struggles in the months after losing the 2004 federal election as opposition leader.

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