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LETTER FROM CANBERRA

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A Real International Edition

IN THIS ISSUE:

PM travels fast and hopefully productively ♦ National Innovation and Science Agenda Paris ♦ Shorter lengthens ♦ Brough problem ♦ Goodbye Bruce McFarlane Jigsaw ♦ Thawley out, Parkinson in ♦ Upcoming Budget ideas. Tax,etc. Harpur report done.. With some poor Effects. ♦ Vocational training as good as Pinkbats. PM covers distance: Asia, Malta Paris ♦ Chinese land investment. No Coal. China. India. Australia. Other countries. Who needs it? Price? ♦ Fwacking (Kevin) Andrews remains not so quiet. ♦ Final. Yes to Boots on Ground.

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

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

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

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

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Letter from Canberra

A monthly digest of news from around Australia.
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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.

The editor at Excello Cafe with friends Filip Ivankovik and the Hon Tim Fischer

About the publisher

Affairs of State

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

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

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EDITORIAL

International affairs is at the top of the media thermometer presently.

ISIS and Syria and their various local relations and friends, and nations further away, in particular. Australians are still not quite sure whether we will be putting any soldiers on the ground again in this region (apart from some trainers and other advisers). Looks like we will follow the Yanks and so do.
'Paris' rocketed this region's issues to the top of the tree, and the wider Muslim issues. A week later, your editor reckons that a few more Australians including himself, and citizens of other countries and their politicians had become more educated on the many and the most important issues so related, including refugees.

Paris might have attracted the recent destruction because, partly it was soon to attract one of the other main items on the world stage, the Climate Change conference 30 November to 11 December. No longer called global warming. Most countries, large and small, powerful and less so, rich and poor, attended. Our own prime minister attended for a day or two, as did most other national leaders, and then came home/ leaving the detail to a swath of delegates, civil servants, policy makers and others, with a mix of passion and facts.

Your editor had many years in the international coal business, so he is watching the negotiations and agreements with great interest. And the Fracking

Your editor continues to be asked whether he prefers our present prime minister or the former one, or one of those before that. His answer is that Australians hopefully/should look to a national leader, a leader that might lead for a decade perhaps. Beyond our borders, nations look to Australia for various reasons, and some might question its stability. That's his clear answer.

The media are humming up Abbot and his post PM role(s). Guess they have to keep the pages and the screens and news time full.

It has been a busy news month both overseas and at home as the Parliamentary Year finishes.
Policy, and much activity within the Coalition.

The cover. Well. Yes.
In Haste to Post. More before Christmas.
Positive reading.

This ruler was given to the Editor some years before Bob became a Senator.

FEATURE ITEM 1.
OUR PLACE IN THE WORLD

Russian Jet Shot Down By Turkish Forces

The recent shooting-down of a Russian fighter jet, on the Syrian border, by Turkish forces was described by the *Herald Sun* as 'threatening a major spike in tensions between two key protagonists in the four-year Syria civil war. … The Turkish army said the plane violated airspace 10 times in five minutes and was shot down by two Turkish F-16s. Russia insisted the plane was in Syrian airspace.'

After Paris Horror, Brussels In Lockdown

The *Herald Sun* announced that Belgium's capital was put on full-alert security mode in the immediate aftermath of the Paris terror attacks. Brussels's threat level was raised for several days to its highest setting, with the Belgian government having imposed a city-wide lockdown based on direct information of a 'serious and imminent' attack.

No Boots On Ground

Malcolm Turnbull, according to *The Australian*, has rebuked those members of his government who have urged him to send Australian combat troops to fight in Syria and Iraq. On November 23 the Prime Minister told Federal Parliament that while military force would be necessary to defeat the Islamic State, it would be unrealistic for Australia to embark on a 'boots on the ground' campaign. (Watch this Space.)

The *Herald Sun* quoted Turnbull as observing: 'We must not let grief or anger cloud our judgement. Our response must be as clear-eyed and strategic as it is determined. This is not a time for gestures or machismo. Calm, clinical, professional, effective. That's how we defeat this menace.'

Kevin Andrews, who was **Tony Abbott**'s Defence Minister but who is no longer in the cabinet, disagrees. He has said that air strikes were not enough to defeat ISIS: 'More is required.' This was the theme of Mr Andrews's *Financial Review* column the same day, where he maintained that 'Air strikes alone will not defeat IS. We need boots on the ground and a coherent strategy that involves dealing with Russia …

'The idea of removing [Syrian President **Bashar**] **al-Assad** should be postponed until and unless there is a credible alternative. Surely we should have learnt by now that removing a dictator without having an achievable plan for a viable alternative leaves a vacuum that enemies like IS will fill.'

On this latter point, anyway, Messrs Andrews and Turnbull seem to be of like mind. *The Age* on November 20 quoted the Prime Minister as admitting that Syria's despot might have to be left in power for a transitional period, 'murderous tyrant' though he has been.

Australia, US, And Bombing Rules

The Age announced on November 22 that the Turnbull government has planned to stick with the existing strict RAAF rules of engagement, in order to avoid civilian casualties from its bombing raids in Iraq and Syria. This decision has put it at odds with Washington's plans to ramp up the air campaign against the Islamic State group.

US Defence Secretary **Ashton Carter** said the previous week that the US was 'prepared to change the rules of engagement,' referring to the structures on when weapons can be released. These rules ensure that air strikes are lawful and that they do not pose an unacceptable risk to civilians.

His Australian counterpart **Marise Payne** announced that her own government has 'no plans to change Australia's rules of engagement.' Yet these rules are increasingly being criticised as too tight, especially following the terrorist attacks in Paris.

For instance, **Max Boot** at the Council of Foreign Relations insisted, in the *Financial Review* on November 19, that the fight against the IS 'is an American fight, one that will not succeed without American leadership. Far from having been "contained" – as President Barack Obama said in an interview that aired the morning of the Paris attacks – IS is using its operational base in Iraq and Syria to mount an increasingly dangerous terrorist offensive …
'A force of perhaps 20,000 US troops, backed by contributions from allies such as France, would make a big difference on the ground.' France itself was described by *The Age* on November 24 as pushing for coalition partners in Iraq and Syria, Australia included, to step up their military contributions.

Meanwhile, former *Spectator Australia* editor **Tom Switzer** expressed – in a *Financial Review* column on November 24 – doubts as to whether Obama would actually send combat troops to Syria. Nor did he want the US President to do so. The column states that 'Washington's refusal to change course in the wake of the Paris atrocities is more prudent than the assertive interventionists suggest. …

'Consider this: From 2003 to 2011, notwithstanding as many as 180,000 coalition troops in Iraq, the US struggled to defeat the Sunni insurgency that has morphed into a plethora of Sunni jihadists. How only 20,000 ground troops would fare better in IS strongholds in both Iraq and Syria is never explained.'

Putin, Obama, and Turnbull

The *Financial Review* reported in its main story for November 19 that **Vladimir Putin** could accept a new power-sharing government in Syria that would not involve **Bashar al-Assad**, because the Russian ruler's ultimate interest was to keep the Syrian nation intact, rather than any personal loyalty to the current dictator. **Malcolm Turnbull** postulated the notion of Syria having a version of the power-sharing agreements which have kept Lebanon more or less at peace since the 1975-1990 civil war there.

If his notion were implemented, then the USA would be expected to drop its own opposition to al-Assad continuing to exercise power in such an environment.

In the meantime, **Barack Obama** has chided Australia's PM for not keeping him in the loop on the topic of a Chinese company leasing the Port of Darwin. The first that America's President heard of the lease was when he read about it in *The New York Times*. Mr Turnbull seems not to have been abashed: he recommended that the President subscribe to the *NT News*, which Mr Obama recollected as having once put him 'on the front page with a crocodile.'

Self-Reliance And The Defence Minister

Hugh White, Professor of Strategic Studies at the Australian National University, wrote in his *Age* column on November 24 that 'Relying on our allies to keep us safe is unwise, so we need a plan to bolster our defences.' In view of the recent appointment of **Marise Payne** as Defence

Minister, Professor White observed that to answer the big questions about the kind of armed forces Australia should build over coming decades, Ms Payne 'needs to look at the core idea that has provided the foundation of Australian defence policy for more than 40 years – the concept of self-reliance.

'It is a simple principle: Australia's armed forces should, at a minimum, be capable of defending our own territory from any credible threats without relying on the combat forces of our allies.' But 'Our forces are increasingly again becoming designed to support and assist our allies, not to fight on their own.

'So Australians are sliding back into a higher level of strategic dependence on our allies, both psychological and military, than at any time since the early 1970s. We know why this is happening. Australia's strategic environment is becoming riskier as our neighbours grow stronger, and as the US-led order that has kept Asia so stable since the 1970s starts to fray.'

Paris Attacks And Australia

The Age's national security correspondent **David Wroe**, discussing the coverage published in the ISIS glossy magazine *Dabiq* of ISIS's own terror attacks, warned on November 21 that 'Australia, like France, remains high on the militant group's hit list … An atrocity like Paris compels us to look at our own situation. The picture that emerges from conversations with security sources and experts is that while the international landscape is bleak, and Australia shares some vulnerabilities with France to IS's growing ambition to attack the West, this is mitigated by Australia's geography, its laws and the strength of its civil society.

FEATURE ITEM 2.
CLIMATE CHANGE CONSIDERATIONS

Climate Change Risks 690 Million Kids

A Herald Sun article cited a warning from UNICEF that 'almost 690 million of the world's 2.3 billion children live in areas most exposed to climate change, facing higher rates of death, poverty and disease from global warming … Nearly 530 million children live in countries hardest hit by high floods and tropical storms, mostly in Asia.'

The international meeting, recently held in terror-stricken Paris, to combat global warming was attended by more than 135 world leaders, including **Barack Obama** and China's President **Xi Jinping. Nicholas Rees**, a UNICEF policy specialist, argued that 'The most urgent task is for world governments to agree on curbing greenhouse gas emissions … but action is also needed on the national level to deal with the impact.'

But *Herald Sun* columnist and Institute of Public Affairs veteran **Alan Moran**, who attended the conference, remains sceptical. He wrote:

'The Secretary of the UN body convening the Paris conference, Christiana Figueres, recommends to member countries measures like carbon taxes, renewable subsidies and investment in low carbon measures. With subsidies to renewables and Direct Action, Australia will be racking up at least $5 billion a year on mitigating carbon dioxide emissions. That's similar to spending on roads and government schools.

'The UN also plans a $100 billion a year fund to persuade developing countries to come to the party. Australia has said it will allocate $50 million a year for this. There is, however, an elephant in the room. The economy-busting taxes and regulations designed to suppress human emissions of carbon dioxide and mitigate climate change are taking place alongside a persistent refusal of the global temperature to increase.

'Other than its supposed effects in causing climate change, carbon dioxide is a harmless gas essential to all life forms. And notwithstanding its increased emissions, temperatures have been stable for 18 years, oceans have not risen, rainfall has maintained its ever-chaotic patterns, polar bears are thriving and (**Kevin Rudd**'s great fear) there is no epidemic of dengue fever.'

Emissions: Look At Consumption, Not Production

Kumar Padisetti, a Deloitte Access Economics Partner, devoted a *Financial Review* article to stressing the importance of measuring consumption, as opposed to production, in relation to cutting back on emissions. His article included the following remarks:

'If emissions are counted where they are consumed, we will be able to cut them more efficiently and quickly … Energy security is another piece of the climate change response challenge. Getting the energy mix right is critical when it comes to reducing emissions. Ideally, countries should seek to reduce emissions while maintaining economic growth, by reducing the emissions intensity of their economies.'

OECD And Coal

The *Financial Review* announced that members of the Organisation for Economic Co-Operation and Development have struck an historic agreement to scale back public financing for coal-fired power plants. This news dealt another blow to the industry ahead of the recent climate change summit in Paris.

Under the terms of this new agreement, which binds 34 OECD member nations, funding for coal-fired power plants will be reduced. As a result, 85 per cent of coal projects within those nations will be cut.

GOVERNANCE

New facts emerge on Whitlam Dismissal

Former Prime Minister, **Malcolm Fraser**, made a statutory declaration nine years before his death, asserting that on the morning of November 11, 1975, Governor General **John Kerr** gave him prior warning of his plan to dismiss the Whitlam government that afternoon. A handwritten note has been discovered, containing **Fraser**'s handwritten notes made during the phone call, outlining that **Kerr** was questioning what actions he would take if made prime minister as per *The Australian*.

Prime Minister **Malcolm Turnbull** has revealed he still believes **Kerr** was wrong and should have telegraphed his intentions to Gough Whitlam.

Malcolm's Verbose Mannerisms

The *Herald Sun* has stated that Prime

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Minister **Malcolm Turnbull** proves the adage that if you're short on substance, then compensate with plenty of style. It was pointed out that his speech at the **Economic and Social Outlook Conference**was supposed to lay down **Turnbull''**'s road map for tax reform. Instead, he simply provided gaudy sailing analogies but negligible detail on how **Turnbull** intends to increase revenue and cut expenditure.

Livingstone Praises Turnbull
Addressing the **Business Council of Australia** annual dinner, **BCA** president **Catherine Livingstone** lauded Prime Minister **Malcolm Turnbull** for having an 'almost unparalleled' impact on national sentiment since deposing **Tony Abbott**. According to *The Australian* she stated 'you have given us the permission to have conversations about things that matter to people, and helped, through your own example, to make those conversations positive.'

Turnbull Evades Republic Questions
Republican Prime Minister **Malcolm Turnbull** was all smiles when he met Australia's future king, **Prince Charles**, in Canberra in November. The Prime Minister, who led the Australian Republican Movement, fended off questions on whether he still believed Australians would struggle to accept **Prince Charles** as king.

Joyce the Winner
The Prime Minister has restored some pride for Victoria by promoting Trade Minister **Andrew Robb** from No 15 to No 10. The former Federal Government had been the first since at least World War II not to have a Victorian in the top 10. Cabinet Pecking order is as follows; (1) **Malcolm Turnbull**; (2) **Warren Truss**; (3) **Julie Bishop**; (4) **George Brandis**; (5) **Barnaby Joyce**; (6) **Scott Morrison**; (7) **Christopher Pyne**; (8) **Mathias Cormann**; (9) **Nigel Scullion**; (10)**Andrew Robb** as reported in *The Australian*.

The LATEST
Australian Marriage Equality has congratulated Trent Zimmerman on winning the seat of North Sydney at yesterday's by-election 5 December. Zimmerman is a supporter of marriage equality and will be the first openly gay member of the House of Representatives. He replaces Joe Hockey who was opposed to the reform, meaning there are now 70 supporters for marriage equality in the House of Representatives.

Labor decided not to contest the by-election caused by the resignation of former Treasurer,**Joe Hockey**, stating that it would be a waste of time to do so less than 12 months out from the Federal election. Previously the seat was held by a margin of 16 per cent, where Labor strategists affirmed that the party had previously deflected opportunities to stand in Liberal safe seats of Mayo, Lyne, Bradfield and Higgins. The Liberals chose former Hockey adviser and acting NSW party president **Trent Zimmerman** to replace **Hockey** as per the *Financial Review*.

Turnbull Tipped to Fail
Labor has questioned the Coalition's renewed commitment to public transport and infrastructure spending, saying **Malcolm Turnbull's** 'convoluted' ministerial arrangements for urban policy are a 'recipe for failure'. Opposition transport and infrastructure spokesman **Anthony Albanese** told the **Rail, Tram and Bus Union** that the Prime Minister has appointed at least five ministers with some level of responsibility for cities and infrastructure policy.

In Turnbull's first cabinet, **Paul Fletcher** was appointed Minister for Major Projects, **Warren Truss** remained Infrastructure Minister, **Jamie Briggs** was appointed Minister for Cities and reports to Environment Minister **Greg Hunt**, and **Josh Frydenberg** was appointed Minister for Northern Development as reported in *The Australian*.

Greens Facing Government
The Greens must prepare to become a 'party of government' as Australia's two-party political system breaks down, according to Greens leader **Richard Di Natale**, stating 'our vote is already matching it with the Coalition and Labor amongst young voters, and my goal is for the Greens to be a party of government' as per *The Age*.

Shorten Steps in Factions Scam
Bill Shorten has intervened in the branch-stacking scandal engulfing the Victorian ALP, telling the party to root out bogus membership rorts and clean up its act. The call from **Shorten** comes as Labor leader elder **Race Matthews** said the ALP must deal with the 'cancerous corruption' that 'for too long has been allowed to flourish unchecked.' The Victorian party suspended its internal elections and launched an investigation into one of the biggest branch-stacking scams to hit Labor.

In a letter to Labor state secretary **Noah Carroll, Shorten** said the allegations were 'highly concerning' and stacking 'had no place in the ALP ... those who contravene the integrity of our membership rules by branch stacking must be made to feel the full force of the disciplinary measures available to the party ... including expulsion.' **Matthews**, a former state and federal MP, said the situation in the Victorian ALP was reminiscent of 1970 when the federal Labor executive intervened and sacked the Victorian executive.

Matthews said a 'key question' was who among the party office holders and officials 'knew what was going on and when they knew it.' He criticised the decision to appoint Labor Right figure **Garth Head** and the Left's **Liz Beattie** to investigate the use of the pre-paid gift cards. 'The gravity of the revelations is such that the party cannot afford to settle for a two-member internal inquiry as mandated by our last meeting' as reported in *The Age*.

Labor to Drop Voting Age
Opposition Leader **Bill Shorten** wants to change that, with a speech to a young Labor Party conference in Sydney, he will outline a plan to enfranchise an estimated half a million voters if the ALP is elected. **Shorten** will promise the shadow parliamentary secretary for youth will consult community leaders and youth on the proposal and report whether the voting age should be lowered to 17 or 16.

Inquiry Explodes
One of Bill Shorten's closest friends and allies has had his ALP membership paid for by an anonymous gift card, as the fallout of the branch stacking scandal engulfing the Victorian ALP widens. Plumbers' union federal and state secretary **Earl Setches**, a key factional lieutenant of **Shorten**, had his own membership card paid for by an **Australian Post Gift Card**in both 2013 and 2014. A *Fairfax* investigation has discovered that nearly 1000 ALP memberships and renewals have been paid for by anonymous gift cards over the past four years by prominent suburban Labor warlords. The scam is centered on the Plumber's Union and factional powerbroker **David Asmar**, two factional players rusted on to Shorten's political machine.

Bad News In Polls For Shorten
On November 24, *The Australian* ran on its front page the banner headline 'Shorten now Mr 15pc with voters.' Certainly the news from the latest opinion polls has not been remotely good for the embattled Federal Opposition Leader. **Bill Shorten**, according to *The Australian*'s article, would lead Labor to a defeat just as devastating as the 2013 one, if his poor poll performance were to be replicated at a national level.

The figure for 'the alternative Prime Minister has tumbled to the lowest level for any ALP leader in more than a decade.' Not only is his own approval rating at a mere 15 per cent, but 'Labor's primary vote has fallen to 33 per cent.'

This gives added urgency to plans by the ALP's New South Wales branch, plans which were mentioned in *The Australian* on November 25, to implement an Obama-style 'organising to win' grassroots campaign. Part of the campaign will involve the appointment of 10 field directors to co-ordinate community activism.

Jamie Clements, the party's NSW general secretary, says that the ALP cannot hope – and should not attempt – to outdo the Coalition in terms of corporate fundraising. 'An army of members and supporters,' Mr Clements maintains, is crucial to the formation of a federal Labor government in 2016.

… But Brough Has His Problems Too
The future of **Mal Brough**, Special Minister of State, remains uncertain as **Malcolm Turnbull** refused to rule out the notion of forcing Mr Brough to stand aside. Labor, the *Financial Review* noted on November 27, focused exclusively on Mr Brough during the previous day's parliamentary Question Time. The ALP wants him to resign because of his role, played before the 2013 election, in helping to engineer the downfall of ex-Speaker **Peter Slipper**.

… And Billson Is Leaving
Bruce Billson, former Small Business Minister, proclaimed on November 24 that he would no longer seek re-election as Federal member for Dunkley. In a media release, he said: 'After two decades in public life, my family and I have reflected on circumstances following the change of leadership and decided it is the right time to "hang up the campaign R.M. Williams".

'For the last 12 years of my 20 years as a parliamentarian, I have been a Coalition front-bencher and for the last six years, a cabinet/shadow member, fearless advocating the case for the small business, family enterprise, start-up and self-employed community …

'There is perhaps never a good time to tackle a transition to a new Liberal candidate for the Dunkley community. However it is my sense that with a Coalition government, a new leader who has generated increased interest in our agenda, the solid foundations put in place under our previous leader, and improved prospects for the next election, now is as good a time as any.' 'LOTS OF HUGS. AND ANOTHER SMILE.'

… While Macfarlane Switches Parties
Ex-minister **Ian Macfarlane** – representing the constituency of Groom in Queensland, as he has done since the 1998 election – has decided that his future lies, not with the Liberals, but with the Nationals. His former party is not at all pleased.

Ewen Jones, a Queensland Liberal parliamentarian, confessed in *The Age* on December 4 to being 'bitterly disappointed' by Mr Macfarlane's decision. Rhetorically, Mr Jones asked: 'If he was still on the frontbench would this deep and abiding love of the National Party [have] surfaced?' Mr Macfarlane held various portfolios – including those of science and small business – in **John Howard'**s and **Tony Abbott**'s administrations.

Liberals And Victorian Senate Spot
Freedom Commissioner **Tim Wilson** heads, according to the *Herald Sun*, a pack of Liberals who are seeking a plum Senate position. This development has occurred amid speculation about the future of Victoria's Senator **Michael Ronaldson**.

Two-time Liberal candidate **Sean Armistead** has also shown an interest in the potential vacancy, as has the deputy executive director of the Institute of Public Affairs, **James Paterson**. Yet the vacancy will open up only if the former Abbott cabinet minister resigns at the 2016 federal election.

Senator Ronaldson – who holds the top spot on the state Senate ticket, although he has been a backbencher since **Malcolm Turnbull** became PM – has denied speculation that he would stand down. 'While I am a great admirer of pro-activity, there is one significant stumbling block – there is no vacancy'.

Put Xenophon Last
Nick Xenophon has unveiled a plan for Senate voting reform that he says will eliminate candidates being accidentally elected with low levels of support while giving voters more chance than ever before to choose independents or minor parties. The South Australian independent MP, has come under attack from **Glen Druery**, the preference adviser who has told the minor parties to 'put **Xenophon** last'. *The Australian* has also learned the minor parties have held talks about swapping preferences with each other at the next election to maximise hopes of repeating the record haul of seven seats won by the crossbench.

Rudd's New Role
Former Prime Minister **Kevin Rudd** has taken a new key post with a global agency in a move that will further stoke speculation he has the role of UN Secretary-General in his sights. **Rudd** has been appointed chair of the global sanitation and water partnership **Sanitation and Water for All**, whose goal is to achieve universal access to sanitation and safe drinking water as it partners with more than 90 governments, organisations and development bodies, including the **United Nations Children's Fund** and the **United Nations Development Program** as reported in *The Age*.

Abbott Versus Bishop
Still predictably smarting from the manner of his deposition, **Tony Abbott** was quoted by *The Age* on December 2 as having unleashed an attack on Foreign Minister **Julie Bishop.** He has charged her with telling falsehoods, and has released a four-point repudiation of her claims concerning his last days in office.

The former PM assured Fairfax Media that it was simply 'false' to say that Ms Bishop had warned him of a phone call on February 8. In this call, **Malcolm Turnbull** was already making plans for a post-Abbott government, seven months before he formally sought to regain the Liberal leadership.

Ban Axed
A contentious policy of imposing a blanket ban on the reappointment of directors to government boards, who had originally been appointed by Labor, is being unwound. This is part of an overhaul of appointment processes, which lead to more decisions by individual ministers rather than the full **Turnbull** cabinet. There was considerable anger and unease within the business community last year when it emerged that the Federal Government administration had imposed an edict that required that anyone appointed to a government board by Labor had to be dumped when their term expired according to the *Financial Review*.

Private Emails OK
Prime Minister **Malcolm Turnbull** has defended his use of a personal email account ad self-destructing messaging applications to communicate with colleagues, despite concerns surrounding the security and transparency implications of the practice. **Turnbull** said regulations for federal politicians' email use relate only to classified information and that he had been careful not to transmit any classified information from his personal email.

Turnbull was speaking following reports that he and his wife operate a private email server that he has used to communicate with colleagues and journalists according to *The Age*. **Turnbull** noted that politicians regularly communicate with each other on work related matters through text messaging, which is 'probably the least secure form of electronic communication.'

First Islamic party pushes for Senate
Australia's first Islamic faith political party intends to field Senate candidates in all states and territories at next year's federal election and also contest upper house seats at state level. The party has been announced as the **Australian Muslim Party**, as reported in *The Age*, and its founder **Diaa Mohamed** said there had never been a more critical time for the Muslim community to have a political voice in Australia.

Facing Her Own 'Effects Test'
Kelly O'Dwyer's first challenge in earning support as the Small Business Minister will hinge on whether she supports the 'effects test' recommended by the **Harper** review of competition policy. The former minister, **Bruce Billson**, was a champion of the inclusion test, which is aimed at making it easier for smaller operators to take action against larger businesses for misusing their market power. 'We will be writing to the new ministry making it clear that we believe this is important,' **Australian Chamber of Commerce and Industry** chief executive **Kate Carnell** told *The Australian*.

Turnbull's Triumph is Good for Our Politics
The new PM will shift the debate from personalities to policy and **Shorten** won't be able to compete, says **Amanda Vanstone** in *The Age*. We are at the beginning of a new era in Australian politics. For the first time in ages, when my mind turns to politics I have both high hopes and a happy heart. At last, the leader-to-leader sniping that has filled our political stage over the past eight years or so will be given a back seat. Finally, we, the people, will again be a part of the conversation which was always meant to include us. That's what politics is, the great conversation of life.

The Right to Offend
Liberal senators aren't backing away from their crusade to water down racial discrimination laws, saying freedom of speech is under threat. The conservative senators began debating a private Bill to remove the words 'insult' and 'offend' from section 18C of the Racial Discrimination Act. The Bill is being sponsored by crossbenchers **Bob Day** and **David Leyonhejelm** and Liberals **Cory Bernardi** and **Dean Smith** who are all strong supporters of free speech. Outspoken Liberal **Ian MacDonald** believes anyone should have the right to insult and offend him and whoever else they choose according to the *Herald Sun*.

Government for the People
Malcolm Turnbull regards making Parliament more parochial and thus reducing its 'reportability' as a collateral advantage of changes that can otherwise be paraded as making it more responsive and accountable. His government unveiled plans to dedicate the second half of the daily 75 minute session once Parliament resumes sitting on November 9, to genuine 'constituent' questions.

These would replace the scripted **Dorothy Dixer** questions passed to backbenchers by the very ministers who then answer them. Backbenchers would put actual questions without notice to ministers during the section of the parliamentary day bearing that name.

They could focus on problems in their own electorates, and cover anything from obtaining funds for a notorious level crossing, to reducing local crime, or helping a struggling industry as reported in *The Age*.

An Uncertain Future
The challenge facing **Malcolm Turnbull** to navigate the nation through an age of radical digital disruption has no precedent. One of **Turnbull's** missions must be to end the long-term war between the Liberal Party and the creative class. **Turnbull** will need to look to the cities as the engines of economic creation in the digital era.

Defiant in Exit
Joe Hockey called for an increase in both the rate and base of the GST, and for the pension age to be linked to life expectancy, as he delivered his

farewell speech to Parliament. In a 25-minute speech, **Hockey** stood by some of the more unpopular proposals from his 2014 Budget as reported in the *Herald Sun*.

And he called for economic reforms including health co-payments, income tax rate changes, 'greater cost recovery in education and universal means testing in welfare.' He said unless the pension age was raised to 70, then linked to longevity, 'by the middle of this century some Australians will be spending the majority of their lives in retirement.'

And he said weekend penalty rates were 'profit murder' for small businesses. **Hockey** says the **Medical Research Future Fund** is his single proudest achievement and 'will dramatically change the lives of Australians and people around the world forever.'

Shrug Off Party
During a speech to the **NSW Liberal Party State Council, Turnbull** faced open ridicule when he spoke about the party. 'We are not run by factions' was met by guffaws of laughter from an audience of Liberal members. Turnbull appeared visibly uncomfortable at the lectern but added, 'well, you may dispute that, but I have to tell you from experience, we are not ran by factions.' The Trade Minister and former federal director of the Liberal Party said **Turnbull** was rightly saying that factions in the party 'don't control us'.

Abbott Warns Europe
Tony Abbott used a prestigious speech at the annual **Margaret Thatcher Lecture** in London to urge European leaders to look to Australia's border protection success, as they try to deal with hundreds of thousands of refugees and migrants flooding across their borders as per the *Herald Sun*.

A Piece of my Mind
Former Treasurer **Joe Hockey** inflamed the tax reform debate in his final speech to Parliament by daring his successor to be bold and raise the GST, pare back superannuation tax concessions and crack down on negative gearing by housing investors reports the *Financial Review*.

Thawley To Go, Parkinson To Return?
Three senior public service positions in Canberra have been thrown open. This development follows a flurry of resignations at the Departments of Prime Minister and Cabinet, Communications, and Foreign Affairs and Trade.

Michael Thawley, a former diplomat and finance sector executive who was appointed by **Tony Abbott** earlier in 2015, will depart as secretary of the Prime Minister's Department. He has advised **Malcolm Turnbull** that he 'wishes to return to the private sector' from late January 2016.

Speculation is high in Canberra that former Treasury Secretary **Martin Parkinson** will make a spectacular comeback as head of the Prime Minister's Department. Only a year has elapsed since he was removed as the government's chief economic adviser.

Bureaucrats Bad, 'Consultants' Good
Whilst governments are forever prating about their desire to slash expenditure, translating talk into action has its own problems. *The Age* announced on November 29, having crunched the relevant numbers, that 'the money federal government departments are saving through job cuts is being cancelled out by a massive increase in the costs of high-paid consultants and contractors.'

Australia's 18 biggest federal departments managed to reduce their total wages bill by $109 million in the last financial year. This reduction sounds impressive enough, until you realise that these same departments managed to increase by almost twice as big a sum – $205 million to be precise – the amount they were spending on consultant and contractor costs.

The increase took the departments' total consultant and contractor expenses for 2014-2015 to more than $1 billion. That is quite apart from the $78 million which the departments spent on redundancy packages in the same financial year.

Exactly a week earlier, *The Age* found that some consultants were being paid up to $30,000 a month in order to provide 'acting' lessons. These lessons were for bureaucrats who needed to 'perform' competently at Senate estimates hearings.

'While a search of government contracts suggests departments have spent about $160,000 on the training in recent years, the true cost is believed to be much higher but concealed through a sometimes opaque tender process. For example, one major provider of Senate estimates training – Melbourne-based consultancy Media Manoeuvres – has been awarded at least $1.9 million in government contracts in recent years, according to the publicly accessible Austender website.'

PARTY HAPPENINGS

Labor Looks to TV
Labor factional chiefs are sounding out television celebrities as possible preselection candidates amid maneuvering for the federal seat of **Wills** in Melbourne's north west. Ex-Seven Network journalist **Helen Kapalos** has been approached, including by frontbencher **David Feeney**, while former SBS presenter **Mary Kostakidis** is being discussed as a potential candidate according to *The Age*.

Liberal Exodus
The Liberal party is receiving hundreds of letters of resignation from branch members nationwide, refusals to work on election campaigns and threats to join or create new parties as a result of the removal of Tony Abbott as Prime Minister. One of the most senior casualties of the leadership change, former Senate leader and employment minister **Eric Abetz**, said it was 'disappointing to hear of a spate of resignations'. **Abetz** has identified that a core of Liberal Party members feel 'disenfranchised' and are concerned their views will no longer be heard according to *The Australian*.

Footballer Politician
Champion footballer **Adam Goodes** is in Labor's sights as a potential candidate ahead of next year's federal election.

'Negative Politics the Biggest Enemy of Reform' says **Paul Kelly** in *The Australia.*

The Unsettled Nationals
Darren Chester went public with a plan he said would ensure an orderly leadership transition when the party moved on after leader **Warren Truss** retires. Under the **Chester** manifesto, Agriculture Minister **Barnaby Joyce** would become the next leader of the Nationals and the little-known Vocational Education and Skills Minister, **Luke Hartsuyker**, would become his deputy.

By proposing this way forward, **Chester**, considered a potential future leader of the Nationals, was effectively ruling himself out of the leadership race, at least in the short term. But in doing so, he also ruled out others who might be interested in entering the leadership fray, including his mate **Michael McCormack**, another

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well-liked National in **Mark Coulton** and Assistant Health Minister **Fiona Nash**, who is more senior than the other three.

And it's fair to say they're not all happy with this plan according to **Ellen Whinnett** in the *Herald Sun*.

Royal Commission Backs Down
The Labor Party accused the trade union royal commission of engaging in 'modern day **McCarthyism**' over an aborted demand that the party's Victorian division produce the personal details of up to 9,000 members. After protests from lawyers representing the Labor Party, the commission abandoned the extra-ordinary demand for ALP membership forms, including payment details, for two months in 2013.

Shadow attorney general **Mark Dreyfus** accused the Federal Government of using the commission's power to pry into the personal affairs of thousands of party members as reported in the *Financial Review*.

INDUSTRIAL RELATIONS & EMPLOYMENT

Thatcher-like Minister for Industrial Relations
Prime Minister **Malcolm Turnbull** has said he doesn't want to 'wage war' on the unions, but in **Michaelia Cash** he has appointed to the industrial relations portfolio a dyed-in-the-wool free marketeer who summons as her inspiration**Margaret Thatcher**. **Cash** informed *The Australian* she has a 'fundamental belief' in reforms to curtail union power and says changes to penalty rates will help our 'global competitiveness.

Howes Versus Commission
'A gross misuse of power' is how **Paul Howes**, former leader of the Australian Workers Union, has described counsel assisting the trade union royal commission. He made, according to the *Financial Review* on November 24, a submission to this body which complained that certain counsel had invited findings damaging to his own reputation, and had failed to give him a chance to respond to the criticism.

Howes had signed off on the Memorandum of Understanding, between Cleanevent and the AWU's Victorian branch, as a result of which, the union received $75,000 for not enforcing penalty rates for casual workers. It was this signing off that counsel had objected to.

Howes has said that he did not recall the precise circumstances in which he authorised the MOU. In addition, he said that it was not his role as national secretary to 'personally analyse the terms of industrial agreements to check their adequacy.'

Howes' predecessor as national secretary had been none other than **Bill Shorten**, who left the job in 2007 in preparation for entering parliament. In 2014, Howes himself resigned from the AWU post. At present, he works for the accounting firm KPMG.

Thousands Leaving AWU
AWU Victoria secretary **Ben Davis** informed *The Australian* that fewer than 50 of the union's 17,000-odd members now had their dues paid by employers, a practice which substantially inflated membership numbers at some firms and has been a key focus of the royal commission into trade unions.

Jobs Program Fail
A Federal Government program designed to get older Australians back into work has been branded a dismal failure, with only 1,700 people joining the scheme meant to benefit 32,000. **Department of Employment** documents reveal just 1735 people took advantage of the **Restart Scheme** in its first year of operation - about 5 per cent of the government's target.

Jobless 'targeted' in Diploma Sales Push
A federal government back-to-work scheme is supplying workers to a company that sells expensive diplomas to the unemployed. **jobactive** provider, **Direct Recruitment**, which has a contract with the federal government to deliver employment services in Melbourne - recently provided an individual with a job at **Go Careers**, which sells diplomas for private colleges including Careers Australia. **Direct Recruitment** has stated 'We were selling diplomas to people that I believe had responded to fake jobs advertising. They were all quite vulnerable people; they were people that were looking for work' as reported in *The Age*.

The Brink of Extinction
Former **Australian Council of Trade Unions** official **Tim Lyons** has warned unions are facing a 'profound crisis' after new figures showed union membership across the workforce had fallen to a record low. Private sector union membership has dropped below one million employees, equivalent to 11.1 per cent, while the public sector shed 181,000 union members in just two years, according to the latest **Australian Bureau of Statistics** data.

Overall trade union membership fell from 17 per cent to 15 per cent in the 12 months to August last year. Lyons, who quit as an **ACTU** assistant secretary **Dave Oliver**, said he expected private sector union membership, based on current trends, to fall below 10 per cent by next year according to the *Financial Review*.

Heads Could be Charged
A former national president of the **CFMEU**, **Dave Hanna** and its Queensland state secretary **Michael Ravbar** should face criminal charges for destroying documents, the union royal commission's top lawyer recommended. Both men have been accused of destroying union documents required by the **Royal Commission into Trade Union Governance and Corruption**. The pair claimed the documents, some which were destroyed by fire and then dumped, were removed as part of an office clean up as per *The Australian*.

Unions urged not to ignore Corruption
Former **ACTU** presidents **Martin Ferguson** and **Jennie George** have urged unions not to ignore evidence of corruption and support regulatory changes that improve the training, accountability and oversight of officials, with harsh penalties for those who fail to comply. Outraged by scandals involving the **National Union of Workers** and the **Health Services Union**, in particular, **Ferguson** and **George** said unions must support new governance measures to rebuild public confidence and regain the trust of members as per *The Australian*.

CFMEU to Absorb Textile Workers
The militant national construction union is poised with a deal to drive thousands of textile workers to it just weeks after unveiling a merger with the maritime union. **CFMEU** national secretary **Michael O'Connor** is in advanced talks to merge with **Textile Clothing & Footwear Union of Australia** national secretary **Michelle O'Neil**. This would add 6000 members to the 100,000 already on the roll and is the culmination of more than a year of the planned amalgamation. 'We considered a number of unions (to merge with) and they were all very positive about the proposal, but we decided the CFMEU was the best fit ... they are a union that campaigns and fights for workers' jobs as well as to improve conditions.'

NUW threatens to Sue
The **National Union of Workers** is threatening legal action to retrieve hundreds of thousands of dollars allegedly misappropriated by former officials and staff of the union's rogue NSW branch as reported in *The Australian*.

Penalty Rates Election Issue
Labor Leader **Bill Shorten** has invited the government to go right ahead with proposed changes to penalty rates and promised to make it a central issue at the next federal election. 'We accept the Liberal challenge about penalty rates being an election issue.' The *Financial Review* reported expectations that the Federal Government was expected to take workplace reforms to the election, including changes to penalty rates. Penalty rates, 'certainly seem to deter weekend work.'

Meanwhile, in Victoria small business owners said opening their business over its new long weekend was a financial failure because they were forced to pay waiters, baristas and kitchen hands over $50 an hour. However, **Shorten** said penalty rates did not lead to unemployment. 'The truth of the matter is what causes unemployment in Australia is the ability of the Liberal Government in Canberra to transition Australia out of the mining boom.'

Alcoa Versus MUA
Alcoa is supporting, a recent *Financial Review* report revealed, the Federal Court in its action to force unionists to sail a large cargo ship that has been stranded in Victoria for more than two weeks. The stranding has occurred because the aluminium company wants to replace the unionists with foreign crews.

Industrial action by the Maritime Union of Australia followed Alcoa's announcement that the ship would be sold and that a foreign-crewed foreign vessel would take over the task of transporting alumina between Western Australia and Portland in Victoria. Alcoa argued that the decommissioning of the ship concerned, *MV Portland*, was one of a number of cost-saving measures designed to help protect about 700 jobs associated with the Portland smelter.

BUSINESS, ECONOMY, MANUFACTURING & FINANCE

Innovation
The announcement about reforms to Australia's insolvency laws is a major win for the economy and directors. The Australian Institute of Company Directors has led the debate on the need for insolvency reform and the proposals

announced today are a positive first step in achieving a much needed overhaul of Australia's outdated director liability framework.

'It begins a transformation of the Australian economy by allowing companies and directors to take necessary risks to innovate. We need to embrace the risk of failure in order to allow innovation to succeed. This means recognising that in pursuing new ideas and opportunities some businesses will fail.
The Innovation Statement, proposals include introducing a 'safe harbour' for directors from personal liability for insolvent trading if they appoint a restructuring adviser to develop a turnaround plan for the company; making 'ipso facto' clauses, which have the purpose of allowing contracts to be terminated solely due to an insolvency event, unenforceable if a company is undertaking a restructure; reducing the current default bankruptcy period from three years to one year.

The changes will allow large numbers of viable Australian companies to trade through difficult times. They will save rather than destroy billions in wealth and tens of thousands of jobs.
Beyond the AICD precise comments and commitments to the new Innovation Statement, many other industry and professional and community associations have heaped on praise. Including COSBOA, (Council of Small Business of Australia, an organisation which is still flying significantly below the (Australian) radar.

Nothing Good Can Come From an Idle Society
Prime Minister **Turnbull** is right to talk about technical disruption and the implications for our community. He is right to be encouraging our society to be encouraging our society to be a leader in creating the new software rather than just be the users of programs developed overseas said **Jeff Kennett** in the *Herald Sun*.

We're Getting Dumber, Parkinson Warns
Martin Parkinson, leading public servant, has discharged a broadside against falling national productivity, which, he says, is making us less intelligent as a nation. The *Financial Review* announced on November 27 Mr Parkinson's demand that Australia boost innovation and address regulatory and industrial relations obstacles to growth. If this does not occur, we face falling living standards after the mining boom.

Mr Parkinson is expected to be the next Secretary of the Department of Prime Minister and Cabinet. 'Multi-factor productivity,' he said at the launch of Swinburne University's Centre for Transformative Innovation, 'is about how smart we are in putting together labour, capital, land, ideas, and yet in Australia multi-factor productivity is negative. So in other words, we're getting dumber each and every year.'

The Federal Treasury has cut Australia's long-term rate of growth forecast after the mining boom. What is more, the end of this boom has intensified the Turnbull Government's search for new drivers of growth, such as competition reform, workplace change, and a push to improve the poor rate at which ideas are turned into businesses.

Boosting innovation, Mr Parkinson maintained, requires a cultural shift to allow entrepreneurs to embrace risk. In other nations such as the United States, entrepreneurs who fail are more likely to have a chance of trying again. 'In Australia, if I fail, I have a big "F" on the front of my head and no-one would be prepared to let me have another go.'

Risk Aversion And Over-Regulation
In a similar spirit to **Martin Parkinson**, another senior public servant, **Barbara Belcher**, has released a review which – as reported in a column by **Veronica Burgess** for the *Financial Review*'s November 19 edition – 'has identified risk aversion as one of the main causes of choked-up administration. … She also identifies two dominant, related behaviours that contribute to it – and that can be fixed.

'The first is the movement of decision-making upwards to very senior levels when limited responsibility is given to middle management and below. The second is risk aversion in the form of internal regulation, which Belcher says often results from over-reaction or detrimental reaction to minor mistakes or embarrassment.'

Shopping Hours, Uber
The Federal Government recently released its long awaited response to the Harper Review, which – according to the *Herald Sun* – postulated 56 recommendations in order to drive a consumer-led Budget recovery. Of those, the government has accepted 44.

Treasurer **Scott Morrison** said that he and his cabinet colleagues 'remained open' to the other 12 recommendations, pending talks with business groups, the state governments, and the territory governments. Among the changes which the Harper Review has urged are the extension of shopping hours, and the lifting of current restrictions upon ride-sharing services such as Uber.

Leyonhjelm Slams Family Welfare
Controversial cross-bench Senator **David Leyonhjelm** recently launched a stinging attack upon welfare recipients, saying, among other things: 'The Government is not your parent or your spouse.' He called on the bulk of family welfare payments to be abolished because childless adults should not have to fund the lifestyles of families. Leyonhjelm, incidentally, is himself childless.

To help the poor
Orica chief executive **Alberto Calderon** has come out to bat for coal, saying it was fundamental to improving the lives of the world's 600 million people living in poverty. The former **BHP Billiton** chief commercial officer said coal was set to play a 'fundamental role in the advancement of developing nations'. It was a good example of a commodity with an outlook of continued high demand over the long term. This is driven in part by the developing world's need for greater access to electricity' **Calderon** stated as per *The Australian*.

Turnbull rebuked on Coal
The Prime Minister **Malcolm Turnbull** has been accused of supporting a 'negative carbon price' by standing in the way of the US and Japan as they try to dramatically reduce the ability of rich countries to fund coal plants in the developing world. Japan - the world's largest public financier of coal plants - reversed years of opposition and will now back the US proposal. The US-Japan plan also includes a clause that a coal plant could only win public funding if cleaner alternatives, such as renewables were not viable.

China Coal Test Commitment
The *Financial Review,* on November 23, reported a plea by **Malcolm Turnbull** to the Chinese government concerning coal imports. He wants the government to speed up the environmental testing of coal imports, this plea having come amid concerns from Australian exporters that the new standards were acting as a barrier to trade and were driving down an already depressed price.

China has imposed new standards on the coal that it uses for power generation. The Chinese-Australian Free Trade Agreement is expected to be ratified and in force by Christmas. Recently the Prime Minister met his Chinese counterpart, **Li Keqiang**, at the East Asia Summit in Kuala Lumpur.

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Family Home in Assets Test
Including the family home in the pension assets test is essential to rein in unsustainable growth in pension spending and create a system that does not give an unfair advantage to the wealthy. That's the view emerging from new research by the **Centre for Independent Studies** and presented at the **Economic and Social Outlook Conference** by research fellow **Simon Cowan.** According to **Cowan**, the family home should form aprt of the means test and pensioners encouraged to take out government-backed reverse mortgages to boost their income in retirement without recourse to tax-payer-funded benefits as per *The Australian*.

Spud Restrictions
West Australian potato mogul **Tony Galati** will risk going to prison if he disobeys a court order restricting spud sales. The**West Australian Supreme Court**'s temporary injunction comes amid a long-running battle between the **Spud Shed-chain** owner and the state's **Potato Marketing Corporation**, which determines who can grow potatoes, how many and which variety. The corporation, which is expected to be sound up by the state Liberal government by 2017, has previously been mocked by the Federal Government; supporters say it keeps small growers in business as reported in*The Financial Review*.

Costello's Warning
Former Federal Treasurer **Peter Costello** has warned of 'dangerous' times ahead if serious economic reform is not undertaken, saying Australia will not go into the next financial crisis 'more exposed.' He said an economic shock in China would create in Australia 'a shock really of a dimension that we haven't seen for a long time. In the Asian financial crisis of 1998, countries like Korea ran out of foreign reserves, and Korea is our second or third-largest trading partner,'**Costello** told *The Weekend Australian*.

New chair of Banking and Finance Oath
John Laker, the former chairman of the **Australian Prudential Regulation Authority**, says public confidence in banks would b enhanced if industry leaders committed to ethical standards by signing up to the **Banking and Finance Oath**.*The Age* reports that **Laker** is the new chairman of the oath, an industry-led pledge by individuals which weeks to restore trust and improve the culture in financial services.

Joyce Phillips, the head of wealth at **ANZ Banking Group**, **Emilio Gonzalez**, the CEO of **BT Investment Management**, and **Rob Caprioli**, group executive of advice and banking at **AMP**, have also joined the oath's board.

Coles restricts customers buying Baby Formula
Supermarket giant **Coles** has imposed stricter controls on baby formula buys to try to help 'genuine' customers obtain scarce supplies. The retailer has halved its limit to two tins per customer as families desperately search for sought-after brands. The reaction follows anger over profiteers bulk-buying formula to onsell to China. **'Coles** is committed to ensuring our customers with a genuine need for baby formula have access to this product,' a spokesman said as reported in the *Herald Sun*.

Too many Charities
The peak body for Australia's not-for-profit sector is calling on charities to think about closing or merging, because there re too many organisations competing for funds. **Community Council for Australia** chief executive **David Crosbie** warned that with government revenue shrinking and fewer Australians giving to charity, there was a 'squeeze' on the charity sector and it needed to think creatively as per *The Age*.

KPMG Has Highest Turnover
The expansion of partnerships at the largest accountancy firms has disguised substantial turnover in the senior leadership ranks. **KPMG** had the highest percentage of partnership exists among the big four, the annual **Australian Financial Review Accounting Partnership Survey** shows. **KPMG** promoted a firm record of 51 new partners in 2014-15, but its ratio of new partners to leavers was 51:44 meaning for every new promotion it lost almost one as per *The Australian*.

Racism in Australia Post
Australia Post has been shocked by allegations of endemic racism after it was revealed a manager routinely referred to workers as 'black bastards' and 'slaves'. In a damning Federal Circuit Court judgement, the organisation has been slammed for failing to act to stamp out the scourge as reported in the *Herald Sun*.

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Power Hungry Regulator
The banking regulator will seek stronger powers to help prevent a distressed bank from collapsing, after the government's financial system inquiry response called for steps to be taken to reduce the perception that some banks are 'too big to fail' ad will receive taxpayer support in a crisis.

The **Australian Prudential and Regulation Authority** already has substantial powers to take control of a troubled bank, which, along with larger equity buffers, reduces the likelihood that the government will be forced to bail out a bank.**APRA** wants extra powers including the ability to appoint a manager to a subsidiary of a failing bank, or a life insurer, and to take actions against superannuation funds as reported in the *Financial Review*.

Supermarkets Under Watch
The major supermarket chains 'haven't got off to a great start' with the new grocery code, according to Australia's corporate watchdog. After naming and shaming **Woolworths** and **Aldi** during October, and sparking a war of words, the**ACCC** chairman **Rod Sims** is concerned about supermarkets' dealings with suppliers.

In an address to the **Australian Food and Grocery Council** in Canberra, **Sims** will cite action taken by the **ACCC** as evidence of its determination to make the code succeed. The voluntary code of conduct, which came into effect in July, sets out rules about grocery supply agreements, when retailers and wholesalers can require payments from suppliers, and the termination of agreements according to *The Australian*.

Robots Deliver Groceries
Wal-Mart stores has applied to US regulators for permission to test drones for home delivery, kerbside pickup and checking warehouse inventories, a sign it plans to go head-to-head with **Amazon** in using drones to fill and deliver online orders as per the *Financial Review*.

Welfare Lobby Backs cutting Company Tax
The welfare lobby backs calls by the corporate sector that business tax cuts should be given priority over personal income tax relief, increasing pressure on the federal government to broaden the benefits of tax reform beyond clawing back bracket creep as reported in *The Age*.

Get Me a Woman
BHP director **Carolyn Hewson** wants Parliament to set quotas for women on government boards, contradicting the**Australian Institute of Company Directors**, which is pushing for the removal of mandatory targets in a proposed law that would require 40 per cent of the positions to be filled by women as per the *Financial Review*.

Think Big, Shop Local
Federal Small Business Minister **Kelly O'Dwyer** has called on shoppers to support their local small retailers. **O'Dyer** said she was an eager shopper at local retail strips in her blue ribbon Higgins electorate, taking in Prahan, Armadale, South Yarra, Malvern and Toorak. **O'Dwyer** also appointed assistant Treasurer in the new Federal Cabinet, was speaking on the eve of the annual Shop Small campaign during November.

Group Think Big Challenge
Australian Institute of Company Directors chief executive **John Brogden** has thrown down the challenge to corporate boards to abandon 'groupthink', warning that it is the greatest risk to business in this country.

In a strident address to the **Finance and Treasury Association's** annual congress in Melbourne, **Brogden** said too many companies were being religiously governed by detailed strategic plans, eliminating the opportunities to innovate and take well-judged risks.

'I think the greatest risk that we have in business and the greatest challenge for boards is group think, where we all go along with the same decision because it is easier' according to *The Australian*.

Kicked Out of Top 10
Australia has dropped out of the top 10 places to do business and is behind Macedonia and Taiwan, a World Bank report into business regulation has found. Countries were ranked based on 11 indicators including ease of starting a business, registering property, paying taxes, trade across borders, protecting minority investors and obtaining credit according to the *Financial Review*.

Open All Hours
Shops could open 24/7, and big supermarkets could sell alcohol and open pharmacies under proposals being considered by Treasurer **Scott Morrison** to boost his bottom line. Morrison is carefully examining recommendations put to the Government to kickstart productivity by increasing competition across the retail and services sector.

The recommendations were made seven months ago by Professor **Ian Harper**, but gathered dust until Prime Minister**Malcolm Turnbull** and **Morrison** took a fresh look at them. The 56 recommendations would, according to Professor**Harper**, give a 2 per cent boost to Australia's bottom line.

Credit Fee Gouging
New laws will stop merchants slugging customers with excessive credit card fees as part of the Federal Government's response to the **Financial System Inquiry**. The move, one of the government's key responses to the inquiry headed by businessman **David Murray**, was widely welcomed by credit card issuers. Legislation to make the change is expected by the middle of net year as per *The Australian*.

The full **Murray report** is obviously online. It includes an increase in the capital requirements for banks by an unspecified amount to make 'capital ratios unquestionably strong' to strengthen the banking system. A one percentage point increase in capital would raise borrowing rates less than 0.1 per cent.

The government endorses **APRA** and the steps it is taking on capital requirements and has agreed to introduce a leverage ratio, which is yet to be quantified, that acts as a backstop to protect banks during downturns.

Bowens Five Principles of Economic Management
Shadow Treasurer Chris Bowen has outlined his drive to be an 'activist and reforming' Treasurer, articulating five key principles to drive his economic agenda in his speech at the **McKell Institute**. These include: (1) Unleash entrepreneurialism, create jobs; (2) Business engagement; (3) Drive greater competition; (4) An Asian approach and (5) a sustainable fiscal policy according to a press release from the *Labor Herald.*

Suppliers Will Rule
Jeff Kennett believes the balance of power between supermarkets and suppliers will be turned on its head in the next decade as overseas appetite for Australian produce accelerates. The former Victorian premier said supermarkets needed to get smarter with their suppliers or risk being locked out of commodities or forced to pay premium prices to secure stock.

'In the last few years there have been more and more overseas buyers coming to look at produce... I know of one producer who committed the whole of next year's crop to an overseas supplier and they were paid upfront.' **Kennett** has been working as an independent arbiter between **Coles** and its suppliers.

Coles gave him the job after the supermarket chain agreed with the **ACCC** in December 2014 that it had engaged in 'serious, deliberate and repeated' misconduct toward suppliers according to *The Age*.

Getting Down to Banking
ANZ Bank's swiftly installed new chief, **Shayne Elliott**, 51, is planning a new approach to the bank's flagship Asian expansion by seeking better use of capital to deliver higher returns.

Advice for Thousands
NAB will contact potentially thousands of customers who may have been affected by bad financial planning advice over the past six years after evidence of poor practices among planners at the bank. The move came a day after the Federal Government released its response to the **Financial System Inquiry,** endorsing calls for improved qualifications for financial planners and a ban on certain risky financial products.

Australian Securities and Investments Commission deputy chairman **Peter Kell** told the Senate economics committee there was 'quite a few potentially affected customers' who suffered as a result of poor financial advice by **NAB** financial advisers and their affiliates as *The Australian* reports.

Top Boards Not Independent
None of the 10 largest non-profit superannuation funds have a majority independent board and some directors called independent would not meet the definition according to the *Financial Review*. Under legislation before Parliament, all super funds will be required to have one-third of board seats filled by independent directors from July 2017.

Give Us Freedom
Self-managed super funds should be given the freedom to borrow to buy assets, although industry players say those advising funds should be licensed. The chief executive of the **SMSF Association of Australia**, **Andrea Slattery**, said that total borrowing by self-managed funds represented less than 0.3 per cent of the nation's housing stock, underscoring the small impact funds have on the overall market as per *The Australian*.

Buckling Metals
The chief executive of **Arrium Steel**, **Steve Hamer**, says steel industry conditions are the worst he has ever seen and that the Federal

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Government is failing to protect the local industry from dumped steel. **Hamer**, who has worked in the steel industry his entire career, said Australian steel is under 'enormous pressure' as per the *Financial Review*.

The Resistance
Big business is understood to have been called on to speak out against the effects test and firm opposition to the proposed changes to the competition law. The **Business Council of Australia**, which represents the top end of business, claims an effects test will hurt shoppers, leading to higher prices.

But it has denied talk of a public campaign. **Council of Small Business Australia** chief executive **Peter Strong** said he was aware the **BCA** had approached its members to speak out against the effects test. 'The people who don't want the effects test are half a dozen retailers from the top end of town, the big end of town have the money for a a major advertising campaign.'

He said the arguments put up by the **BCA** were 'rubbish', particularly when the effects test was backed by independent heavy-weights like former national competition boss **Allan Fels**.

Union Super on Notice
APRA has warned superannuation funds will be expected to appoint a majority of independent directors unless they can provide a compelling reason not to, a shift that could lead to the long-term decline of union influence over the compulsory retirement savings system according to the prudential regulator's member **Helen Rowell** in the *Financial Review*.

Big Business Event Next March
On November 27, the *Financial Review* ran a whole-page advertisement announcing what it calls 'Australia's most influential business event.' It is a summit presented by the *Financial Review* itself in association with BHP Billiton, and it will take place in Melbourne on March 15-16, www.afrsummit.com. A special offer, enabling attendees to save more than $700 off the standard price, until December 13!!

MINING

A Moral Case for Coal? That's Just Farcical
The argument that burning coal exported by the **Adani** mine project will deliver health benefits to the world's poor is plain rubbish. Maybe its time to separate fact from fiction when it comes to the reasons behind new coal development. Your editor, with his first career in the coal industry and a geography by fact and passion, I absolutely disagree with this article from *The Age* [**WHY DO YOU DISAGREE AU?**].

Controversy Digs In
Australia's largest proposed $16.5 million **Carmichael** coal mine has been given another green light, but conservationists are seething at what the Government calls 'possibly the most exhaustive environmental assessment' in the country's history according to *The Age*.

Clean Coal Risk to Trade
China's coal imports are forecast to fall dramatically over the next five years due to the slowing economy, a move toward greener fuels and government protection of local miners. Among the most bearish on the outlook for Australia's second-biggest export is **Capital Economics**. The independent research group's commodities economist, **Tom Pugh**, said that at the end of this decade China's thermal coal imports, which have fallen by almost a third this year to date, which could fall to 'virtually nothing.' While Indonesia will be hit particularly hard, Capital expects that even imports of high-quality coal from Australia are likely to suffer as per *The Australian*.

BHP Backs Away From Progressive Dividend
Jac Nasser, chairman of BHP Billiton, has refused to commit himself – a *Financial Review* front-page article on November 20 reported – to maintaining the miner's $US6.6 billion ($A9.2 billion) annual dividend payout beyond this February. This announcement leaves the door open for a change in BHP policy to maintain or increase the dividend each year.

TRADE

Labor at sea over Port Deal
Federal opposition leader **Bill Shorten** has asked for an urgent briefing on the process that allowed a 99-year lease on the Port of Darwin to be granted to a Chinese company with links to the **People's Liberation Army**. The move comes after the *Australian Financial Review* reported that the bid for the port by **Landbridge Group** appeared to have slipped through the net of the **Foreign Investment Review Board.** This was confirmed by Treasurer Scott Morrison on Friday, who told the *Financial Review* the 'rules Labor had in place and that the shadow treasurer presided over did not permit the transaction to come under **FIRB**'s review.'

Australian Agreement With EU
On November 15, Australia's Prime Minister signed a joint communiqué with the President of the European Council (Poland's **Donald Tusk**) and the President of the European Commission (Luxembourg's **Jean-Claude Juncker**). The communiqué expressed the desire to commence the process towards a comprehensive Free Trade Agreement between this country and the European Union.

Soon, Australian and EU officials will begin bilateral discussions upon the next steps to launch negotiations. The Department of Foreign Affairs and Trade, as part of this development, is seeking submissions from interested stakeholders. Deadline for these submissions: February 26, 2016.

Prime Minister pushes US to back Pacific trade deal
A mammoth trade deal among a dozen countries across the Asia-Pacific Region faces growing political threats that could torpedo the changes, triggering calls on the US congress to back the agreement. **Malcolm Turnbull** hailed the **Trans-Pacific Partnership** yesterday as a 'triumph of hope over fear' as he urged the implementation of the deal at a meeting of 12 leaders in The Philippines.

Summing up a formal meeting to take the trade agreement another step towards ratification, **Turnbull** told his counterparts the outcome would be more jobs and more innovation across the region. The TPP's opponents in the US fear it is giving up too much ground to trading partners in Asia, while other opponents fear it is too big a win for US multinationals that gains stronger protections for intellectual property in areas such as technology, entertainment and pharmaceuticals as reported in *The Australian*.

The Age has reported that academics, public health advocates and environmental groups have raised concerns about the **Trans-Pacific Partnership**, saying it confirms their fears about the future of Australia's public policy. But Trade Minister **Andrew Robb** has slammed critics of the deal, saying they should stop criticising it when the text of the agreement has only just been released. He has been backed by lawyers who say early criticisms of he deal have been bordering on 'hysterical'.

The historic trade pact between 12 countries in the Pacific region - including Australia, New Zealand, the United States and Japan - collectively represents 40 percent of GDP and is the biggest trade deal in more than 20 years. But intellectual property experts, academics and environmental groups have criticised the deal, saying it could expose Australian governments to billion-dollar battles in international courts for impinging on the rights of foreign companies with investments in Australia.

Climate Change Missing
The final text of a 12 country trade agreement has confirmed the 'worst nightmares' of environmental groups, with no mention of climate change in its lone environment chapter and weak enforcement mechanisms, academics say. The text of the **Trans-Pacific Partnership** agreement was released on 5 November, with Trade Minister **Andrew Robb** saying the deal will deliver 'substantial benefits to Australia' in the rapidly growing Asia Pacific. The **TPP** is the biggest global trade deal in 20 years, involving 12 countries in the Pacific region which collectively represent over 40 per cent of world GDP.

Returning to White Australia
The political fight over Chinese trade and investment is set to intensify, with Labor accusing the Federal Government of unfairly targeting Asians with its foreign investment crackdown. Labor is set to oppose the government's plan to impose stricter controls on foreign investment in agricultural businesses, with one prominent NSW senator likening it to the **White Australia policy**. The Coalition has in turn accused Labor of racism for raising concerns about the China-Australia free trade agreement as reported in *The Age*.

REFUGEES & IMMIGRATION

Kiwi Aussies In Detention
People who have lived in Australia all their life are waiting eight months in detention to have their visa cancellations reviewed - some in extremely harsh conditions on **Christmas Island** - because of a backlog. *The Australian* obtained a copy of an email sent from the **Department of Immigration**'s **National Character Consideration Centre** to a lawyer which says people detained in March are only now having their claims processed.

NZ Condemns Australia's Detention Centre
Peter Dunne, Internal Affairs Minister in New Zealand's National-dominated coalition government, and also leader of the United Future

Party, has complained about Australia's treatment of detainees, and has likened our detention centres to American-controlled Guantanamo Bay. He told *The Age* on November 13: 'Australia's leaders keep telling us in New Zealand that we are family. But Australia is treating people in its detention camps – in the main New Zealanders awaiting deportation – in a way that is appalling.'

Longer Visas For Indonesians
In 2014, no fewer than 150,000 Indonesians visited Australia. The maximum amount of time each of them was permitted to stay in the country was one year. This will soon change. The *Financial Review* recently announced the Federal Government's move to relax visa requirements.

As of 2016, Indonesians will be eligible to apply for a three-year visa, which will permit them to make multiple entries. The application process will be made easier too: starting in 2017, all Indonesian citizens will be permitted to lodge their visa applications online.

'Asylum Seekers' Almost Reach..
In its November 21 edition, *The Age* cited the ALP's demand that Immigration Minister **Peter Dutton** 'reveal the fate of a boat-load of suspected asylum seekers who reportedly came close to landing at Christmas Island on [November 20]. The small wooden boat pulled up close to shore at Christmas Island before being intercepted by the navy, local sources say.

'It is believed to have come within a few hundred metres of the jetty at Flying Fish Cove before being towed to Smith's Point. The Federal Government has been determined to "stop the boats" and the near-arrival raises questions over how the vessel penetrated the border protection regime.'

$2m Nauru 'gag' Clause
Charities working in immigration detention centres were asked to pay multimillion dollar bonds that could be forfeited if they spoke out against government policy, as the Coalition sought to maintain secrecy over border protection. Aid agencies, including **Save the Children** and the **Australian Red Cross** were asked to offer 'performance security' of $1 million in one case, during negotiations over contracts relating to work caring for asylum seekers and refugees. It came as the non-profit organisations were also being asked to agree to clauses that would prevent them speaking to the media without government approval as reported in the *Herald Sun*.

Worry over Syrian Refugees
The Federal Government's plan to take a majority of the 12,000 extra Syrian refugees from persecuted Christian groups in the Middle East is in danger of being derailed. Christian leaders fear they are being blocked from recommending persecuted people to be part of the Australian intake because of confusion over the **Immigration Department**'s selection process and the selection rules of the **UN High Commissioner for Refugees**.

The Catholic Archbishop of Sydney, **Anthony Fisher**, who has written to Prime Minister **Malcolm Turnbull** about the issue, expressed concern yesterday that the bulk of the refugees would be Muslims rather than the persecuted non-Muslim groups the government indicated in September, such as Christians, Yazidis, Zoroastrians and Jews.

The Australian reported that **Fisher** said **Islamic State** wanted to 'exterminate or enslave' Christians as part of its belief in the terrorist Caliphate, and 'groups like the Yazidis, Christians and Zoroastrians are at peril of extinction in the Middle East at the hands of **Islamic State**.'

Tales of Bureaucracy
Born in East Melbourne, the father of two runs his own tiling business is at risk of being deported to Ireland. The trouble began when **Smyth** went to an overseas trip in the early 1990s. His grandfather was born in Ireland, and his father applied on his behalf for an Irish passport. But under the law as it was then, this automatically voided his Australian citizenship. The Fitzroy man, 44, says he had no idea about this until 11 months ago when, with that passport having expired, he applied for an Australian one only to be told he was not a citizen. He has been on a bridging visa ever since as per the *Herald Sun*.

Doctors Resist Camp Return
Doctor's at Melbourne's **Royal Children's Hospital** refused to discharge an asylum seeker and her child because the immigration department would have sent them back to detention at the expense of their health. The woman, aged in her 30s, was suffering post-traumatic stress disorder and post-natal depression, which also influences her infant's development according to *The Age*.

Thousands Exploited
Temporary foreign workers in their hundreds of thousands are being illegally exploited and underpaid in 'black jobs' in food courts, cafes, factories, building sites, farms, hairdressers and retail across Australia. An investigation by *The Age* and Monash University has confirmed the suspicion of the incoming chairman of **7-Eleven** stores, **Michael Smith**, that underpayments in his troubled company are the tip of a larger iceberg.

TAX

Super Shift
Wealthier taxpayers would lose $150,000 from their retirement savings over their careers under the sweeping changes to superannuation that are being explored as part of **Malcolm Turnbull**'s tax reforms, sparking fears the rules would hurt middle Australia. The bold reform proposal is gaining favour within the government but holds dangers for millions of workers in its current shape, forcing the Federal Government to consider significant changes to make it fair.

All workers earning more than $36,000 a year would pay more tax on their regular super contributions, according to modeling obtained exclusively by *The Australian*, highlighting the risks of pursuing the new approach.

Litmus Test For Rise Set
Malcolm Turnbull's plans to reform Australia's tax system is facing a pushback from his own side as Liberal MPs demand long-term structural reform and tax cuts to compensate for a potential rise in the **GST** to 15 per cent, or broadening of the tax to cover new items such as fresh food. Debate within the Coalition about tax reform has ramped up against the backdrop of spiraling state health and education costs, $80 billion in cuts over a decade in these key areas from the 2014 budget and an ongoing federal budget deficit as per *The Age*.

Super Breaks To Be Limited
Federal Treasurer **Scott Morrison**, as reported in the November 27 *Financial Review*, has said that superannuation tax concessions must be pared back as part of more overarching changes to the tax system. He maintains that such concessions come at 'a cost to government', which is increasing as the system matures and the population ages.

It remains Mr Morrison's view that superannuation should do no more than provide an adequate retirement. According to the Treasurer, the use of superannuation funds for wider wealth creation has undermined public confidence in the system as a whole.

Retirement in Australia is very often connected with issues of real estate. So it comes as little surprise that Mr Morrison, according to *The Australian*, 'is canvassing bold tax reforms designed to persuade retirees to downsize to smaller homes and plough more money into retirement-income products …

'As an extra incentive, profits from the sale of the family home would be excluded from the age pension assets test provided they were channelled into an approved retirement product such as life annuities and aged-care bonds. Since being appointed Social Services Minister late last year, the Treasurer has argued that the burden of the age pension could be reduced by allowing retirees to tap the wealth captured in their homes.'

The Age's economics editor, **Peter Martin**, warned on November 24 (in a column with the provocative title 'Be afraid, they are coming for your super'): 'Forget the GST: it's tackling the burgeoning problem of superannuation that will show if Scott Morrison is serious about fixing tax.

Unless Morrison fixes it, the hole will get bigger and bigger as more and more Australians retire and enjoy completely untaxed investment savings … Squibbing this decision will condemn Australia to an ever-widening hole in its tax system and show that Morrison and Turnbull aren't serious about fixing it. I think they are.'

Judith Sloan, writing on the same day in *The Australian*, was more overtly scathing. She insisted: 'Industry super funds [are] busy protecting their own patch, not yours. Defending the indefensible is part of a strategy to safeguard a cosy racket.'

TOURISM

Trial Cloud Passports
Australia is looking at trialling passport-less travel in a move Foreign Minister **Julie Bishop** predicts will go global. The idea of cloud passports is the result of a hipster-style hackathon held at the Department of Foreign Affairs, which lead to an X-factor style audition before the secretary **Peter Varghese, Julie Bishop**, Assistant Minister **Steve Ciobo** and **Chris Vein** from the World Bank according to *The Age*.

Too expensive to clean Hotel Rooms
The Accommodation Association of Australia has urged the government to display greater leadership by fostering a mature debate on penalty rates and encouraged it to make a

submission to the industrial umpire's review of modern awards to buttress the case for change as many hotels cannot afford to clean their rooms or change sheets because of the excessive cost of penalty rates as per *The Australian*.

CLIMATE CHANGE, ENVIRONMENT & ENERGY

Blackout risk from push to renewables

Australians could experience more blackouts due to the rise of renewable energy and more households going off-grid with battery storage, the national regulator warned. The **Australian Energy Market Operator**'s (AEMO) transmission development plan finds the rapid increase in large-scale renewable generation over the next few decades could create reliability problems across the National Electricity Market.

The Renewable Energy Target and lower energy demand will ensure there will be no new coal-fired or gas-fired power stations built in Australia over the next few years, with **AEMO** predicting there will be 6700 megawatts of additional large-scale renewable generation coming online by the end of the decade.

There will also be 17,656 megawatts of additional rooftop solar photovoltaic systems installed as reported in *The Australian Financial Review*.

Expensive Batteries A good result for Coal

Storage batteries used to back up wind and solar power are too costly to undermine Asia's booming demand for coal, the **International Energy Agency** says. The agency defended its resilient global coal demand projections against criticism that they exaggerate demand growth, especially from India and south-east Asia, for Australian coal.

Critics say the forecasts, which suggest Australian coal exporters have a prosperous future despite slowing global growth in demand for coal, underestimate India's capacity to supply its own coal needs and the growth of wind and solar power as per the *Financial Review*.

Rudd takes on Pell

Former Prime Minister **Kevin Rudd** has unleashed an excoriating attack on **George Pell**, accusing Australia's most senior Catholic of being a 'radical climate sceptic' and saying the cardinal's 'inflated rhetoric' can no longer go unchallenged on the role of the church the climate change debate.

Incentive to Save Power

Businesses that boost their energy efficiency will be eligible to apply for contracts from the $2.55 billion **Emissions Reduction Fund**, but the Federal Government is being coy about when it will top up the fund, where schools and hospitals will also be able to bid for the contracts. According to the *Financial Review,* the government hopes to achieve another 5 million tonnes of abatement.

100% Clean Energy Goal Set

There are no major economic or technical barriers to achieving 100 per cent renewable energy around the world by 2050, a **Greenpeace** report says. The **Energy [R]evolution 2015** outlook report outlines a plan for the transition to 100 per cent renewable energy by phasing out coal, oil, gas and nuclear energy and how such a transition could be funded according to *The Age*.

Back In from the Cold

The Federal Government will make the **CSIRO** the centre of its plans to link scientific researchers with business as part of its upcoming innovation statement, restoring the prestige and pre-eminence of the national science organisation as reported in the *Financial Review*. Assistant Science Minister **Karen Andrews** said the **CSIRO's** size and breadth of research background made it perfectly placed to take a 'very significant role', and become the 'main vehicle' in the government's plans to link scientific research and practical business applications.

Lets Get It Started

Prime Minister **Malcolm Turnbull** is supporting the creation of a nuclear fuel industry that experts say could be worth up to $35 billion for South Australia. **Turnbull** commended South Australian Premier **Jay Weatherill** for setting up an inquiry to consider if the state should have a nuclear industry. He said he was sceptical about the need for nuclear power, but suggested Australia get involved in the nuclear fuel cycle to produce fuel rods, export them and then transport them back home once used, and store them in outback nuclear waste dumps according to the *Financial Review*.

Freedom of Climate Religion

Conservative MPs have hit out at **Christopher Pyne** for axing funds to climate change 'contrarian' **Bjorn Lomborg,** saying he has succumbed to a vocal minority and the move is a 'sop to leftist bullying.' The back flip on the funding has antagonized some MPs who told *The Australian* the move was another sign of the party appeasing the Left. Tasmanian Liberal Senator **Eric Abetz** demanded an explanation from **Pyne**, who made the decision to withdraw $4 million in federal funding for an Australian branch of **Dr Lomborg's Copenhagen Consensus Centre** in the days after **Tony Abbott** was replace by **Malcolm Turnbull** as Prime Minister.

Five Year Deadline

The coal industry has less than five years to prove 'clean-coal' technologies are commercially viable or face demand constraints caused by climate change policies, the head of the **International Energy Agency** has declared. **IEA** executive director **Fatih Birol** said commercialising carbon capture and storage was critical for the coal industry, which has accounted for more than 15 per cent of Australia's exports over the past five years. 'Demand for coal will be depending on whether or not the coal industry will be able to make use of the clean technologies, including carbon capture and storage,' **Dr Birol** said. He was speaking after the **G20** energy ministers' meeting in Turkey, where he met Australia's Resources Minister, **Josh Frydenberg**, who told him Australia was significantly increasing its use of renewable energy and pursuit of energy efficiency, but this was not mutually exclusive to continuing energy exports, particularly with regard to coal and gas as per *The Australian*.

Climate Change Treaty will be the Flop of the Year

According to **Christopher Booker** in *The Age*, climate change activists are still hoping to change the world despite earlier failures. The chief obstacle remains what it was with the 1997 **Kyoto** and the 2009 **Copenhagen** summit's failed agreement. Most countries have argued all along, that if man-made CO2 is causing a problem, the fault lies with those 'developed nations that became rich before everyone else by burning fossil fuels to power their industrial revolution. '**Japan**, the fifth largest emitter, does claim that it will cut emissions by 15 per cent, but is still planning to build more coal-fired power plants.

Otherwise, the **European Union** as the only part of the world committed cutting its emissions by 40 per cent within 15 years. However, **Poland** is already refusing to sign the treaty as it builds more fossil-fuel power stations to keep its lights on, while **Germany**, the sixth largest emitter, does the same. The only government that is committed to meeting the 40 per cent target by 2030 is **Britain**, the 14th largest emitter, who is responsible for just 1.3 per cent of global emissions.

Lose Your Life To Save It

Making their case in the **Journal of Wildlife Diseases**, researchers say culling is the best available option to prevent population extinctions. 'Simulations reveal there is a strong chance chlamydia will be eliminated from the population within four years.' It is not the first proposal to cull koalas. The measure has been advocated to save the burgeoning Kangaroo Island population from itself, after the animals all but stripped the island of their food trees. The idea met stiff opposition and authorities decided on sterilisation and relocation instead. In March, *The Australian* revealed that the government had put down almost 700 starving koalas in a covert culling operation in Western Victoria.

Under the new proposal, culling would be applied widely to protect the animals from a more pervasive threat. A 2011 study found that while deforestation, dog attacks and road accidents were major threats, disease management was the best way of stabilising populations. The researchers estimated that a 60 per cent reduction in chlamydia deaths would boost koala populations as effectively as completely eliminating deaths from cars and dogs and fully restoring forests in known koala haunts.

Full Charge Ahead for Tesla

There is a race on between the owners of electricity utilities, such as State Governments and companies that are developing batteries to store enough solar power that homeowners won't need to buy it from electricity retailers. Thus it is probably not all surprising that **Tesla** founder **Elon Musk** has chosen Australia as one of the prime international territories to colonise for home energy battery storage. He is leveraging off one of the worlds most exciting brands, the **Tesla** electric car, to get a foothold in the potentially huge market for consumers desperate to cut their energy costs according to *The Age*.

Meanwhile in the *Financial Review*, battery storage will become the norm for Australian households in as few as three years because of the savings to be made from combining it with rooftop solar panels, the head of California-based technology company **Enphase Energy** says. **Paul Nahi**, chief executive of **Enphase**, said just as it made no sense to build a house with no insulation, the same would apply in the next few years to electricity usage in Australia, which he regards as

the leading market for take-up of the technology worldwide.

The Age View
It is odd and disconcerting that many people in this highly educated and sophisticated nation still hold tight to non-scientific theories about climate change, preferring to fashion their views on gut instincts or the misguided utterings of political heroes. Would we dare to appraise Einstein's theory of relativity by using these same dubious sources? Yet a five year study of Australians' attitudes, published by the **CSIRO**, indicates about one-fifth of the population does not believe climate change is happening.

The **CSIRO** survey revealed some stark correlations between climate-change opinions and voting patterns. Of the respondents who voted for the Liberal Party in the 2013 federal election, 52 per cent believe climate change is natural and only 25 per cent believe humans are to blame. Among Labor voters, this was reversed: only 31 per cent believe climate change is a natural occurrence and 59 per cent attribute it to human causes as reported in *The Age*.

Another recent study by some of the same **CSIRO** researchers suggests the tone of political debate after an election, the attitude towards climate change adopted by the governing party influences climate change scepticism. Never discount the importance of leadership in setting the tone and topic of public debate. **Tony Abbott**, his ministers and his government were culpable in a failure of leadership, in not directing the community towards an appropriate consensus about climate change based on scientific evidence.

Shifting Power Pool
State energy ministers are monitoring instability in South Australia's renewable energy dependent electricity market, which experts fear could spread to other states as their fair share of wind and solar power increases. Heavy industrial users of electricity in South Australia have been hit with huge rises in wholesale electricity prices in recent months as some coal-fired generators have withdrawn from the market coupled with the Heywood interconnector with Victoria's brown coal generators being upgraded.

Nuclear Waste Old-Fashioned
Industry Minister **Christopher Pyne** says arguments against storing nuclear waste are 'old fashioned' nine months after refusing to support a nuclear industry in his home state of South Australia. In February he said he did not support a nuclear enrichment industry or nuclear waste storage in South Australia. 'I don't support a nuclear waste dump in South Australia.'

Now, he has softened his stance, saying he will look at proposals to start an industry. 'I'm looking forward to the royal commission's findings and if **Kevin Scarce** can convince the Australian public through his **Royal Commission** that we should go down the track of investing in a nuclear industry, well I'm not convinced but I'm happy to look at it' as per The

Australian Energy Market operator chief executive **Matt Zema** warned the problem would get worse as the share of renewables increased and more coal generators withdrew. Energy experts said the problem could spread to other states as they followed in South Australia's foot steps per the *Financial Review*.

Hunt Taking Control
Environment Minister **Greg Hunt** has won additional control over the government's climate change agenda, gaining responsibility for the **Clean Energy Finance Corporation** and the **Australian Renewable Energy Agency**. The two organisations have the capacity to deliver $12.5 billion in support for renewable energy and drive innovation in the area.

After twice moving to abolish the **CEFC**, the government's decision to move the organisation signals it may now keep it and try to use it to drive investment and innovation in renewable energy. The **CEFC**, which previously answered to the treasurer and the finance minister, was set up as part of **Julia Gillard's** climate change package to boost investment in renewable energy projects as per *The Australian*.

North-East Gas Interconnector Announced
On November 19, the Northern Territory Government released the news that Jemena had been selected to build and operate the North-East Gas Interconnector. When finished, this project will connect the Territory's vast gas fields to the East Coast gas market, and the pipeline will be 623 kilometres long. It will link Tennant Creek to Mount Isa.

The construction firm McConnell Dowell has been supporting Jemena through the competitive tender process for the NEGI, and it plans to continue in this role as the project's agreed construction contractor. This will include the pipeline itself, but also two compressor stations and gas treatment facilities.

All in all, the value of this construction work is expected to exceed $300 million. Both Jemena and McConnell Dowell have worked closely with communities and businesses along the proposed route. They have done so ever since the whole bidding process commenced, in order to maximise local and indigenous participation in the pipeline's building and its ongoing management.

As to the specifics of indigenous involvement, *The Australian* reported on November 23 that 'Sacred Watarrka, about 450 kilometres south-west of Alice Springs, is now in the industry's sights. Like landowners in Queensland and NSW, who in some cases supported but in others brought the coal-seam gas industry to its knees, [Aboriginal spokesman Anslem] Impu, or Junior as he prefers to be known, must balance obligations to protect country against those to deliver jobs, income and education for his people.

'Whereas most non-indigenous Australians uncomfortable about fracking rigs in their backyards could sell up, Aboriginal custodianship confers responsibility to maintain land handed down through generations for physical, cultural and spiritual sustenance, theoretically for eternity. "It's a lot of responsibility, a great weight on your shoulders," Mr Impu says.'

Persons opposed to the entire pipeline include **Joe Collins**, a senior development engineer with Perth-based Resource Strategy Consultants. Mr Collins told *The Australian* on November 23 that 'the economics behind the Northern Territory's new $800 million [sic] pipeline simply don't stack up.'

He also said that he thought the NT Government would be, in effect, underwriting the development in the form of minimum volume and tariff income guarantees in the contract, unless Jemena was prepared to carry an unusually high level of risk with the project. 'It has to be the Northern Territory Government underwriting this,' he observed, 'and they're taking a real risk here.'

Solar Panels Deplored
The residents of one of Australia's most exclusive streets – Saunders Street, in the Perth suburb of Mosman Park – want to see a ban placed on the elevated solar panels currently to be found on many of the suburb's rooftops. These panels are 'ugly,' the residents reckon, and are blocking their million-dollar river views.

So reported, on November 24, *The Australian*, which went on to note that the Mosman Park Council was considering a petition signed by more than 70 Saunders Street residents. The petitioners support a policy which would require all solar panels to be laid flat on roofs, rather than propped up on elevated structures.

Already, at Mosman Park, scores of mansions are crowded onto a steep slope, so that their owners can maximise their views of the Swan River. But to date, Mosman Park Council, in contrast to other local governments in Perth and elsewhere in Australia, has not adopted any policy to regulate solar panels' installation.

AGRICULTURE, CATTLE & WATER

Record Summer Forecast
A sizzling summer of heat waves, bushfires, droughts and thunderstorms is forecast for Australia as the strongest El Nino on record threatens to settle in across the Pacific. *The Australian* reported that the 2015 El Nino is already the strongest of its kind in 17 years and **Sky News Weather** Chief Meteorologist **Tom Saunders** warned that three years of above average temperatures, including the warmest year on record in 2013, had set the pace for the next six months.

Milk It For All Its Worth
Australia's 6000 dairy farmers must be encouraged by a combination of carrot and stick approaches to dramatically fast-track increased milk production, or risk losing the Asian dairy food boom opportunity to European rivals.

A new paper from **ANZ**, 'Looking for a sign: unlocking Australia's dairy potential', claims a lack of confidence, capital and scale among dairy farmers is holding back herd expansion and milk production.

But the **ANZ** report also claims Australia's $4.7 billion dairy industry could see annual milk production rocket 15 per cent a year to 15 billion litres by 2018 if aggressive growth incentives and investment structures are put in place per *The Australian*.

Big Dry Withers Profit
A drought-driven profit downgrade has put fresh impetus behind **Graincorp's** ambition to grow overseas and reduce its exposure to volatile

rainfall in eastern Australia, chief executive **Mark Palmquist** said. The east coast grains handler slashed its profit expectations as dry weather hits Australian grain volumes and competition intensifies as per *The Age*.

The Frydenberg Solution
Resources Minister **Josh Frydenberg** has refused to back his Nationals colleagues' calls for farmers to be allowed to veto coal seam gas on their land, but said he will meet with state leaders to discuss a way forward. Federal Nationals senator**Fiona Nash** said state and territory laws should be changed so farmers are allowed to block CSG mining on their properties.

Nationals leader **Warren Truss** also said he believes farmers should be able to veto exploration and extraction on their properties. The calls come in the midst of the death of anti-coal seam farmer, **George Bender,** who took his own life, and has become a symbol for anti-CSG activists as reported in the *Financial Review*.

Asked about Senator **Nash's** stance, **Frydenberg** simply said the laws were in the domain of state and territory governments and farmers should come to an agreement with companies. 'Constitutionally this is the legislative domain of the states. We certainly want farmers to reach an agreement with the gas companies before any of these projects go ahead and if you look at NSW there has been a voluntary set of principles.'

Reveal Your Cards
Wine industry lobby group **Winemakers Federation of Australia** is urging the federal government to force **Coles** and**Woolworths** to identify their home brand wine labels for consumers. **Winemakers Federation of Australia** chief executive **Paul Evans** told a Senate inquiry in Perth there were concerns in the industry about **Coles** and **Woolworths**marketing wine similarly to branded wine from producers.

'What we would like to see is that home brands are identified so consumers can make their choice.' The federation is pushing for significant reforms to the controversial **Wine Equalisation Tax**, which would make it more difficult for the large retailers to ultimately benefit from tax rebates according to the *Financial Review*.

MEDIA

ABC Peril for MPs
ABC managing director **Mark Scott** has warned politicians who aim to influence the **ABC** do so 'at their political peril.'.**Scott**, who is due to conclude by mid-2016 his 10-year term as the putlic broadcaster's chief, said there was a widespread understanding in Canberra of the importance of the **ABC**.

New ABC directors redress board's gender inequality
Business executives **Kirsten Ferguson** and **Donny Walford** are the new non-executive directors of the ABC, appointments the Federal Government hailed as redressing gender and geographical inequality on the board. Both of the appointees are members of multiple boards, including the **Heart Foundation of South Australia** and **KeyInves Lending Services** as reported in *The Australian*.

Watchdog Backs Reform
Competition tsar **Rod Sims** has thrown his weight behind substantial media ownership reform calling for a review of the two out of three rule and flagging a potential need to change sports broadcasting restrictions to cope with the advent of live streaming. The two out of three rule prevents media companies from owning a newspaper, radio network and TV station in the same market, while the anti-siphoning regime essentially gives free-to-air broadcasters the first attempt to bid on sports rights on the list. **Sims** comments come as the government is expected to fast-track moves to abolish the reach rule before Christmas. 'While there are serious questions to be asked about the two out of three and the 75 per cent reach rules, we believe that, also for competition reasons, some form of anti-siphoning regime continues to be required' as per *The Age*.

No Longer a Batchelor
Network Ten has signaled the next chapter to turn around its fortunes by receiving regulatory approval for pay-TV provider **Foxtel** to become a substantial shareholder. The competition watchdog is allowing **Foxtel**, which is part-owned by **News Corp** and **Telstra**, to buy a 15 per cent stake in the third-placed free-to-air broadcaster. **Ten's** non-executive chairman, **David Gordon**, welcomed the decision, saying it would enable the broadcaster to continue its ratings and revenue turnaround. 'We are very pleased to receive clearance from the **ACCC** and the **ACMA** for the proposed transactions' as per *The Australian*.

Sustainability Matters is a 50 page bi-monthly publication relating to matters of councils, manufacturing, industry, utilities, infrastructure, construction and resources. The Oct/ Nov edition includes; 'Carpets to customised printers - CEFC finance helps businesses save'; 'The call for efficiency in the water business'; 'Energy efficiency in the food and beverage industry' and 'Container deposit scheme: the state of play.'

Be a Doer of the Word
Andrew Bolt, Australia's most read columnist says there is no reason to praise **Turnbull**. 'My support isn't bought that cheaply. **Turnbull** will get my support for his deeds, not for what he leads.'

JUSTICE

Lawler Recordings
Fair Work Commission president **Iain Ross** says tribunal vice-president **Michael Lawler** should 'potentially' be investigated by New South Wales police for his covert recordings of their telephone conversations. **Justice Ross** said he was 'profoundly disappointed' by **Lawler** recording their conversations and he regarded his conduct as a 'very serious matter.'

Appearing before a Senate estimates hearing, **Justice Ross** said he expected the covert recordings to be investigated by the government-appointed investigator examining **Lawler's** conduct and 'potentially New South Wales authorities. '**Lawler** admitted to the **Four Corners** program that he had covertly recorded telephone conversations with **Justice Ross** during which they discussed **Lawler's** extended sick leave according to the *Financial Review*.

Super Agency to Fight Terror
A national intelligence super agency will be created using 'big data' to better track potential terrorists, serious crime and deal with real-time threats, such as the recent Parramatta terrorist attack. Federal and state justice ministers and Attorney's General are expected to agree to the national security super agency as reported in the *Herald Sun*.

It will create a round the clock nationwide intelligence sharing operation centre to share intelligence, which will give police access to a full and real-time picture of a target. The first step will be the embedding of IT experts from **Crimtrac** into the **Australian Crime Commission** to fill what counter-terrorism experts claim are large data and IT gaps between the agencies, due to incompatible IT systems used by different agencies.

Cardinal Pell And Royal Commission
The Australian reported on November 24 that lawyers of **Cardinal George Pell**, former Catholic Archbishop of Melbourne and then of Sydney, will cross-examine victims of sex abuse in order to protect the Cardinal's reputation, because of the Royal Commission's insistence on investigating unsubstantiated claims of wrong-doing, including attempted bribery.

Senior figures within the Catholic Church in Australia have been debating for months how Cardinal Pell should respond to the Royal Commission. Initially the Church said, through its legal team, that victims would not undergo any interrogations.

'*The Australian* understands support for Cardinal Pell defending his position has widened – even among his critics – because of the potential for adverse findings or commentary flowing from his years serving the scandal-plagued Diocese of Ballarat in western Victoria. Cardinal Pell has for decades rejected claims he not only knew about rampant offending, but was complicit in covering it up.'

Dire Times
Originally Slater & Gordon was a boutique Melbourne firm specialising in labour law. Later it became an international litigation powerhouse. But the *Financial Review* announced that a recent decision in the UK government to limit lawsuits for car accidents preceded a disastrous S&G performance on the share market.

After the company warned that the change would affect 'the rights of people injured in road traffic accidents,' S&G stock plunged 51.4 per cent to 94 cents per share, and closed on November 26 below its 2007 initial public offering price of $1 for the first time. Earlier the shares dropped as much as 54 per cent to 89 cents, as 85 million shares traded hands, 17 times the average daily volumes.

George Osborne, Britain's current Chancellor of the Exchequer, intends to remove the right to obtain general damages for minor injuries – such as bruising – and to increase the threshold for small claims from £1,000 to £5,000, to cover a greater volume of injuries in small claims courts. The measures are intended to reduce the cost of motor insurance.

In the meantime, **Andrew Grech**, S&G's managing director, has accused critics of running a campaign 'by a series of whispers.' He did nonetheless admit to *The Australian* that the firm had 'kicked a few own goals' with a number of errors in its accounts earlier this year, even if the fundamentals of the business were intact. As of November 19, the stock for S&G was trading at $3.05 per share, down 12 cents, and less than half of its March peak of $7.85.

BROADBAND & IT

More to IT skills than Twitter
Schools must do more to teach computer skills instead of leaving students to dabble with **Twitter** and **Facebook**, **Federal Education Minister Simon Birmingham** has said, outlining that students' mastery of social media would not equip them for workin the digital economy as reported in *The Australian*.

NBN seeks new directors
The national broadband network's last remaining Labor-appointed director is set to leave after three years with the company as it prepares to raise up to $26.5 billion from the private sector to finish the project. The Coalition has said it will provide only $29.5 billion in taxpayer funds, half of which has already been handed over, despite the **NBN** costing up of $56 billion to complete.

This means the remaining $26.5 billion will come from private-sector sources like such as loans, the bond markets and other sources from mid-2017 onwards. Prime Minister was highly critical of the Labor-appointed board when he was shadow Communications Minister, accusing it of lacking the expertise needed to roll out the network as reported in *The Australian Financial Review*.

Broadband Plans Unfurl
NBN Co has unveiled the next phase of its lengthy construction road map, with the latest three year plan highlighting the areas that will receive ultra-fast broadband services through existing cable TV networks. The new plan, which covers the period up to September 2018, provides the first glimpse of the areas where **NBN** will deploy **Hybrid Fibre Coaxial** cable technology according to *The Australian.*

With 7.5 million extra premises now scheduled to have work under way to make them ready to receive a service within the next three years, **NBN Co** aims to boost its overall construction footprint to reach almost 9.5 million premises by September 2018. **NBN Co** has almost 700,000 premises where connections are being constructed and nearly 1.3 million premises that are already able to connect to the NBN. The bulk of the construction work will be done in NSW and Victoria, with work to be done on more than 2 million premises in each state respectively. Queensland will see work under way on almost 1.5 million premises.

Questionable Deal
A landmark government review into regional telecommunication services has labelled the decision to pay **Telstra** more than $330 million a year to deliver essential Telco services to broadband-starved users in the bush as 'questionable.'

The long-awaited **Regional Telecommunications Review** said the obligation and funding mechanisms that require **Telstra** to maintain its ageing copper network in the bush needed a rethink as consumers increasingly dump landline telephones for mobiles and social media messaging apps as per *The Australian*.

Net Neutrality
NBN chairman **Ziggy Switkowski** wants his own company to help decide whether Netflix and suchlike popular Internet services are charged extra by telecommunications companies including Optus and Telstra. This has to do with whether the notion of 'net neutrality' should be allowed to prevail.

Net neutrality, a subject inspiring particularly fierce discussion in the USA, is the idea that all Internet data, whatever its source, should be treated equally. Internet providers, *The Age* says, have long argued that tech giants use a disproportionately large amount of their networks, and they would like to throttle or charge extra for those services.

HEALTH & WELFARE

Mental Health Changes Unveiled
Statistics show that an alarmingly high number of Australians – 690,000 – are at present suffering from mental disorders which are severe enough to warrant specialist intervention. Under a scheme unveiled on November 26 by Federal Health Minister **Sussan Ley**, these sufferers will be given more personalised care than they have previously been able to obtain.

The *Financial Review* reported the next day that the current Medicare Better Access Program, which enables patients with a mental health problem to receive up to 10 partly Medicare-subsidised visits per annum to a psychologist, has engendered concerns. Some argue that this program did not serve patients who were very ill, and that, conversely, it over-catered for those patients who were relatively well.

In any case, the National Mental Health Commission was asked to find methods of spending the current federal funding allocation more wisely. The new system is the outcome. It is expected to cost $365 million in the first financial year (2016-2017), which will rise to $370 million in 2017-2018 and $385 million in 2018-2019.

Asthma's Hidden Costs
The *Herald Sun* revealed on November 24 that asthma continues to cost the nation $28 billion a year. Asthma sufferers, on average, take two more sick days annually than does the typical non-asthma sufferer.

Medibank's Landmark Win
Australia's biggest private health insurer, Medibank Private, has secured a landmark win in its battle to lower costs in hospitals. *The Age* noted this win in its November 24 issue, and said that Medibank had signed a new agreement with Healthscope, which is the country's second biggest private hospital operator.

George Savvides, Medibank's CEO, branded the two-year deal a 'tipping point' in the bruising public spat over the introduction of new 'quality and affordability' criteria into the fund's contracts with hospitals. Thanks to Medibank's success in having brought Healthscope on board, the share of hospital beds covered by Medibank's new contracts has grown from below 50 per cent to over 70 per cent.

Pfizer-Allergan Link
The Australian syndicated on November 23 a *Wall Street Journal* report stating that two big drug companies, Pfizer and Allergan, have agreed on a historic merger deal. This deal, worth more than $US150 billion ($A210 billion), would create the world's single biggest drug-manufacturer, and would also move one of the top names in corporate America to a foreign country: specifically, Ireland, where Allergan is based.

Radical reforms to Health Insurance
Private health insurers would be allowed to cover GP visits and common tests sucy as X-rays under fadical reforms being canvassed by the Federal Government. Health policy experts say the move, flagged in a government survey of Australians about private health insurance, would reduce pressure on GPs to bulk bill their servies at the **Medicare** rate of payment, inflating prices for patients. The Federal Government has also opened the door to private health insurers charging higher fees for people who smoke or are overweight as reported in *The Age*.

Flu Jab Boosted
Australia's health defences will be bolstered by an extra flu strain to vaccines next year, amid braoder concerns about drugs that are in short supply or prove ineffective. After a record influenza season - 25,000 more than last year's previous record - the Federal Government will ensure the Brisbane strain is covered by the vaccine after the variant caused havoc this year as per *The Australian*.

Taxpayers bear burden of increased welfare
Australia's annual welfare bill will balloon by more than $120 billion over the next decade to $277 billion a year - with almost every category of welfare outpacing inflation. Federal Government estimates reveal that taxpayer-funded welfare spending in today's dollars will by 2026 be $81 billion more than tax revenue. A significant number of welfare categories are growing faster than the ability of the tax base to cover their rising costs.

Patient Records On the Cloud
One million Australians will trial the government's new e-health system in 2016, which will collate their medical records and make them available to health professionals, gym instructors and even third-party companies, such as **Fitbit**, the maker of wearable exercise tracking devices. Health Minister **Susan Ley** revealed the trial of the new myHealth Record, which will cover Far North Queensland and the Blue Mountains in NSW in a speech to the **Press Club**.

Ley told the **Press Club** that customers will be given 'open source access' to their stored data. That simply means that consumers will have the ability to choose who can access their medical records. But there will still be an option for consumers to decide to share their medical information more broadly as well. 'It's a revolutionary concept in health, but it shouldn't be, given it's already happening with industries like finance across the globe' according to **Ley** in the *Financial Review*.

Ley Flays Junk
Health insurance policies that exclude certain procedures, often surprising patients who have paid for the increasingly costly cover, are a waste of money and need to be fixed according to Health Minister **Susan Ley**. **Ley**, who has launched a review into the $19 billion sector, said consumers and taxpayers were concerned that a $6 billion a year rebate that subsidises private cover was not delivering sufficient value for money.

The government has asked consumers to make suggestions about how to improve health insurance. **Ley** has also called on former competition regulator Professor Graeme Samuel to assist with meeting consumers and the industry to work out how to remove unnecessary and costly regulation, or add value for the roughly half of the population that has private cover. The ballooning cost of medical claims is one of the reasons that premiums are rising at more than double the annual rate of inflation according to the *Financial Review*.

This affordability conundrum, which is exacerbated by means testing of the private health insurance rebate and policies that slowly reduce the proportion of the rebate, is causing consumers to drop or downgrade their cover. Private health insurers are prohibited from funding primary healthcare, one area that the industry has been agitating to cover. Funds argue that it would better integrate care between doctors and hospitals.

Blowout Ahead
The **ABC** reported that it had obtained an **NDIS** document stating that it was at risk of cost overruns. State Government plans to roll out the scheme across Victoria over the next three years after a successful Barwon regional trial. *The Geelong Independent* reported in September that Premier **Daniel Andrews** had signed a $5.1 billion bilateral agreement with the Commonwealth to roll out the scheme to an estimated 105,000 Victorians.

NDIA said higher rates of autism, workforce and supply shortages and state cost shifting would increase costs. **NDIS** trials are also under way in the ACT, New South Wales, Tasmania and South Australia. The agency said $952.8 million had been committed to fund individual plans at an average annual cost of more than $38,423. The figure for individual plans was $3454 higher than the expected average cost when the scheme was designed.

No Jab, No Play, No Fair
Immunisation experts and the **Royal Australasian College of Physicians** say the Federal Government's 'no jab, no play' law will do little to boost childhood immunisation rates and could penalise children from lower socio-economic backgrounds who are excluded from childcare. From January 1, 2016, families of unvaccinated children will no longer be eligible for subsidised childcare, worth thousands of dollars a year, if their children are not up to date with their vaccinations.

The same will apply to the family tax benefit part A end-of-year supplement. But immunisation expert **Julie Leask** has told a Senate committee looking at the legislation that 'shutting out the vaccinated from childcare by removing its affordability will not shut out the risks from vaccine-preventable diseases' according to *The Age*.

Royal District Nursing Service is one of Australia's most respected providers of home healthcare who is joining forces with **RSL Care**, based in Queensland, to create a bigger, stronger organisation to support older people in Australia with over 6000 staff making 4 million client visits each year according to a *RDNS letter*.

Insurance Confusion
Government initiatives are driving the complexity and confusion in Australia's health insurance products, according to**Rob Bransby** in *The Australian*, head of leading not-for-profit insurer **HBF**.

Bransby said there was a need to look at the complexity of products as the Perth-based insurer released statistics showing that one in two Australians do not know if their private health insurance is with a for-profitor not-for-profit fund.

HBF surveyed 3137 Australians with health insurance. The survey also shows three in 10 **Medibank** and **Bupa** members would prefer to be with a not-for-profit fund.

TRANSPORT & INFRASTRUCTURE

Technology to ease Traffic Congestion
Congestion on major roads could be eased through the greater use of technology to improve the flow of vehicles by tracking cars and matching traffic signals under plans to be considered by the Federal Government. Major Projects Minister **Paul Fletcher** told *The Australian* that in some cases only 20 percent of the surface area of a road was covered by vehicles and he would examine using technology to make better use of existing roads.

Northern Territory Calls on 6 Star Hotels
Northern Territory Chief Minister **Adam Giles** says a new luxury six-star hotel in Darwin is one of the many missing pieces in the infrastructure puzzle needed to drag the northern capital up to the standard of the southern capital cities. **Giles** told the *Australian Financial Review* that the territory had a lot of catching up to do when it came to providing modern infrastructure, outlining that 'we're 150 years behind the rest of the country in terms of infrastructure.'

Truck Costs Increasing
One of Australia's biggest logistics firms has warned it faces rising costs of up to 55 per cent after an industrial ruling imposing minimum pay rates for long distance contract truck drivers that has been condemned by the transport and retail industries. The draft decision by the **Road Safety Remuneration Tribunal**, based on 'nonsensical' evidence, suggests drivers be paid for rest periods and some leave.

Tracking your Way
The infrastructure sector is gearing up for a wave of activity spurred by **Malcolm Turnbull's** support for an urban rail agenda for Australia's major cities. Global infrastructure group **Aecom** chief executive for Australia New Zealand **Lara Poloni** said that despite the concerns about political risk following the cancellation of the **East West Link**, investors retained interest in investing in Australia.

Infrastructure Partnerships Australia chief executive **Brendan Lyon** said it was clear the government was 'going to seek to define itself, in part, on its contribution to cities and infrastructure ... We expect to see the Federal Government put a lot more money up to help the states to pay for the very large urban rail tunnels needed to modernise commuter rail in the modern cities' as reported in *The Australian*.

Lyft On Uber's Heels
The New York Times recently revealed that even as questions swirl over the fund-raising environment for hot young start-ups, the ride-hailing sector is barrelling into new funding talks at top speed. Especially conspicuous in this respect is Lyft, the ride-hailing start-up established as a rival to the better-known Uber. Both Lyft and Uber are ramping up conversations with investors about another private fund-raising.

Car Insurance Improvement Drive
A crackdown by the Australian Securities and Investments Commission on automatic renewals of car insurance policies was announced on November 24. It has already led to six insurers agreeing to inform their own policy-holders more comprehensively about car insurance renewal practices, thus decreasing the risk that policy-holders will be caught by surprise.

Complaints about some insurers had emanated from individual consumers as well as from consumer groups. For example, some consumers reported that they had already purchased a policy from a different insurer by the time they discovered that their previous car insurer had renewed their cover automatically. Such objections should be less common henceforth.

EDUCATION

Research Papers made Redundant
The Federal Government is set to overhaul the way university research is funded by dramatically downgrading the importance of publishing articles in little-read academic journals. Prime Minister **Malcolm Turnbull** wants to end the 'publish or perish' culture in which academics are pressured to focus on constant publishing rather than producing work with commercial and community benefit.

Dr Alan Finkel, Incoming chief scientist, has stated that researchers are too often forced to choose between research and commercial careers and **Turnbull**'s proposal would wee Australia graduate from its position in a 2013 study showing Australia ranked last in the developed world on the proportion of businesses which collaborate with research institutions on innovation as reported in *The Age*.

Private Colleges' Questionable Marketing
Six of the top 10 organisations running Australian private colleges are under regulatory scrutiny or have been accused of questionable quality of marketing practices. Four of the six colleges, the **College of Creative Design and Arts**, **Cornerstone Investment, Study Group Australia** and the **Australian Institute of Professional Education** are all the subject of regulatory audits as per *The Australian*.

Wealthy got half of uni NRAS units
Half of the units built by universities under the Rudd Government's flagship social housing scheme were let to foreign students to the

detriment of the low-income workers the scheme was supposed to help, a damning audit has revealed.

The data confirms a series of revelations in *The Australian* that universities had systematically exploited the **National Rental Affordability Scheme** to build units for wealthy foreign students.

Training Loans Waste
Taxpayers are set to spend more than $1 billion this year on government loans to students who drop out of costly training courses. Two-thirds of students fail to finish taxpayer subsidised vocational education and training courses according to *The Australian*. More than half the students enrolled in diplomas are dropping out of study. The **National Centre for Vocational Education Research** data shows the dropout rates are highest for information technology, hospitality, building and agriculture.

Let Students Binge Learn
Universities should be like **Netflix** and allow students to 'binge watch' their courses, according to Deakin University deputy vice-chancellor **Beverley Oliver**. Speaking at the **Australian Financial Review Higher Education Summit**, Professor **Oliver** said that universities needed to learn from other industries that were going through digital disruption and be flexible in the way they offered education to their students.

What's Fair is Fair
A 'rebalancing' of public and student contributions to 50:50 is the most likely scenario in the wake of the Federal Government's failed higher education reforms, which would give universities the additional revenue they need without the major upheaval of deregulation, says the head of the **Higher Education Standards Panel**. **Professor Shergold**, who is also the chancellor of the **Western Sydney University**, said the debate over fee deregulation was premature and 'too narrowly focussed' according to *The Australian*.

Naughty Teachers
Private training colleges will face $54,000 fines per student for breaching tough new industry regulations next year in a Federal Government crackdown on 'rampant abuse'. A Senate inquiry demanded a blitz on private training colleges, warning of shoddy training, exploitation of students and profiteering as per *The Australian*.

Many Shades of Grey
The new federal Education Minister, **Simon Birmingham**, is deftly sidestepping the question of whether he will try to reintroduce **Christopher Pyne's** plan to deregulate university fees. He's inherited a system which has a fundamental imbalance. Student numbers have grown strongly since the former Labor Government ended the quota system (known as 'caps') which limited the number of undergraduates the government would subsidise as reported in the *Financial Review*.

Gonski Plea to Nationals
National MPs are under pressure to stand up for country schools as the Opposition attempts to split the Federal Government over education funding where it is claimed $12.5 billion will be taken away from 1.5 million country students under the current proposals according to the *Herald Sun*.

UK Teacher Brain Drain
Teachers trained in Britain are drawn to Australia by better conditions and less emphasis on meaningless data according to *The Age*. Roughly one in 17 Australian secondary teachers is now British born, as is one in every 20 primary school teachers, with science, maths and language teachers in particular demand according to teacher recruitment agencies.

Six in Global Top 100
Australia has six universities in the top global 100, according to the latest rankings from **Times Higher Education**, one of the world's most followed indicators of university quality. **UNSW** has joined five other universities, **Melbourne, Australian National University, Sydney, Queensland** and **Monash** - in the top 100 of the **World University Rankings** as per the *Financial Review*.

Quality Assurance Lacking
Thousands of Australian students feel cheated by universities seemingly corrupted by the dollars of foreign students. What's bringing this anger to a head is the mad insistence of universities on group assignments.

These are socialistic projects in which groups of students work collectively and share the same mark, which means the conscientious ones carry the slackers and strugglers. Yes, plenty of Australians are slackers, but the problem is now much worse because a fifth of our university students are from overseas, with many struggling with sub-standard English.

According to **Andrew Bolt** in the *Herald Sun* said one postgraduate student at Melbourne University posted a complaint on the **Melbourne University's Confessions** website that resonated so strongly that it got 9500 likes and 2500 comments, many from students adding their own horror stories.

Phoenix Unlikely To Rise From Ashes
The ACCC has announced, according to *The Australian*, that it will launch court action against the troubled Phoenix Institute, one of Australia's largest training colleges. This announcement comes less than a month after the competition watchdog started proceedings against another educational outfit, Unique International College, which it accused of 'misleading or deceptive and unconscionable conduct.'

Phoenix is owned by the Australian Careers Network, which is listed on the Australian Securities Exchange. Altogether it has received more than $106 million during 2015 in government-backed loans, thanks to the VET FEE-HELP loans scheme.

Degrees In Entrepreneurship
A report in *The Australian* on March 25 spoke of a forthcoming arrangement whereby Australia Post is joining with one of the world's biggest investment banks (Credit Suisse), a top law firm (Corrs Chambers Westgarth) and Sussan retail boss **Naomi Milgrom** to partner with Melbourne University, for the launch of a master's degree. But this degree will be different from most: it will tap into the real-life experiences of the nation's top entrepreneurs.

The Master of Entrepreneurship Degree will involve the university's Ormond College, its Faculty of Business and Economics, and its School of Engineering. Students undertaking the degree will get exclusive access to a wide range of entrepreneurs who will mentor them and share their experiences.

At $48,000 per student, the qualification will not be cheap to acquire, though plans for a scholarship fund have gone ahead. Two-thirds of the applicants thus far, by the way, have been women.

Collaboration In Israel Recommended For Here
Avi Hasson is Israel's Chief Scientist. *The Australian* quoted him on November 24 as recommending that collaboration be encouraged among sectors that in this country tend to stay separate: industry, academe, entrepreneurs, and venture capitalists. 'It starts,' Mr Hasson said, 'with connecting all the different players within your ecosystem.'

FOREIGN AFFAIRS
Round the World

Five Countries In Six Days
'It is impossible,' wrote **David Crowe** in *The Australian*, 'to follow a prime minister's government jet around the world on commercial flights unless he or she travels very, very slowly. And **Malcolm Turnbull** does not move slowly. He's agile. Five countries in six days.

'That was the rough plan when the Prime Minister's Office outlined the trip from Jakarta to Berlin and the G20 summit in Turkey before heading to Abu Dhabi, then Manila for the Asia Pacific Economic Co-operation meeting. That didn't include the optional extra of Kuala Lumpur for the East Asia Summit.' Nor did it include the recent sojourn to Valletta, capital of Malta.

Big Malta Meeting
The Commonwealth People's Forum 2015, the largest gathering of civil societies across the Commonwealth of Nations, was launched on November 24 in Malta, under the auspices of the country's Prime Minister, **Dr Joseph Muscat**, and of the Commonwealth's own Secretary-General, **Kamalesh Shama**. It was attended by **Malcolm Turnbull** and **Queen Elizabeth II** as well as the heads of other Commonwealth countries. (As an aside, the Editor was once taught that Malta had its time as the Brain Centre/Centre of Thinking on Earth. Letters to the Editor on this or any other subject will be accepted. He has not had time to check Professor Google at this time.)

Turnbull in lock-step with Obama on Syria
Prime Minister **Malcolm Turnbull** and United States President **Barack Obama** held their first formal bilateral meeting in Manila at the **APEC** summit. In a sign of the strengthof the ties between the two nations, **Obama** invited **Turnbull** to visit Washington DC, adding it would probably be in the northern winter.

Turnbull backed the message of ramping up pressure on **Islamic State** by stating 'we will continue shoulder to shoulder with the US. We have a common purpose and a common strategy' as reported in *The Australian*.

The Next IS target is
Islamic State has declared that Washington and Rome are its next targets for mass atrocities, as the head of the **CIA**warned of a further wave of terrorist attacks in Europe. **CIA** director **John Brennan** said the US had had a 'strategic warning' about Europe before seven suicide bombers inflicted a wave of violence across Paris and he anticipated 'this is not the only operation that **Islamic State** has in the pipeline' as reported in *The Australian*.

Moscow Gap in Global Outlook
Russia's exclusion of Foreign Minister **Julie Bishop** from Syrian peace talks in Vienna has exposed a 'Moscow gap' in Australia's long-term global strategic outlook. Despite Australia being the second largest non-regional military contributor in the Iraq and Syrian crisis, our place at the table is being deniedbecause we have focused too closely on an emerging China and given insufficient weight to Russian President **Vladamir Putin**'s global power push according to *The Australian*.

Israelie Lessons for Australia
According to Assistant Minister for Innovation, **Wyatt Roy**, Australia could learn a lot from Israel's experience in encouraging start-ups. **Roy** led a week-long delegation of almost 50 Australians to Israel, which has longstanding culture of encouraging start-ups. **Roy** told *The Australian* 'we need to play to our natural strengths, but there is a lot we can learn from Israel's experience over the past 20 years.'

Putin opposing Civilised Standards
European nations, led by Germany, have been unwilling to take the measures that might have deterred **Putin** or punished him in a way that would have made him think again, despite regularly criticising his aggressive politics. *The Australian* reported that growing global concern of his policies may be turning Russia back on civilised standards, with US Senator **John McCain** describing **Putin** as 'a KGB thug.'

UN Push from Bishop
Australia will devote itself to abolishing the death penalty and empowering women and girls across the world should it win a seat on the **UN Human Rights Council**. Foreign Minister **Julie Bishop** has begun making Australia's case for election to the **UN Human Rights Council** and the world's peak decision-making body, the **UN Security Council** as reported in *The Australian*.

Turnbull to reclaim Rudd's territory
Prime **Malcolm Turnbull** is positioned to reclaim **Kevin Rudd**'s biggest regional diplomatic initiative at the **East Asia Summit** in Malaysia, which is preparing to assume more power to deal with problems ranging from people smuggling to terrorism.
Diplomatic moves to beef up the **East Asia Summit** have been boosted by growing concern among many South East Asian countries over China's more assertive stand on maritime boundary issues, particularly Malaysia.
Australian officials have played a key role in the push to give it a more institutional capacity and used the summit's tenth anniversary at a meeting of regional leaders in Malaysia to drive the process forward as reported in *The Australian Financial Review*.

Indonesia Preventing People-Smuggling
Indonesia's national police are mobilising to counter a threatened upsurge in people-smuggling. Prison authorities are also investigating an allegation reported by *The Australian*, that several jailed operators have resumed efforts to organise boats as reported in *The Australian*.

Syrian President Reluctantly Backed
Australia is set to abandon the Abbott government's long-held position that disgraced President **Bashar al-Assad** step aside as part of any durable peace settlement in Syria, in what amounts to a major policy shift designed to hasten the end of the bloody civil war. Instead, the Federal Government has reluctantly accepted that **Assad**, whose brutal regime has been blamed for the majority of civilian deaths in the 4 and a half year conflict, may form a part of any future government of national unity designed to preserve the crumbling Syrian state. **Julie BIshop** told *The Weekend Australian* there was an 'emerging consensus' that the Assad regime would be likely to be pivotal in any attempt to fortify the Syrian state and prevent further gains by the terror group **Islamic State**.

Paris Attack Response
In response to the terrorist murders in Paris, the French government promised a 'pitiless' response, saying the terrorist attacks were a declaration of war and them bombed **Islamic State** targets in **Raqqa, Syria**. The French government reported that it destroyed an **Islamic State** training camp as well as a munitions dump.

The Australian has called into question why these targets were not taken out previously if they had been known, and has suggested that the French military action almost certainly resides in the symbolic category - being seen to do something. *The Australian* has also suggested that the real purpose of the French military action was to show a willing spirit, to demonstrate defiance, to bolster morale and to symbolise determination.

Defend Australian Fauna Overseas
Australia's ambassador to the United States, **Kim Beazley**, has warned of 'painful economic consequences' for Australia and California should a ban on the sale of kangaroo parts in America's largest state economy not be overturned. 'Two-way trade between Australia and California is worth $5.5 billion a year.'

Kangaroo leather, which is light, soft and pliable, is a popular material in high-end soccer boots. Back in 2007, then governor **Arnold Schwarzenegger** put a moratorium on the ban on the sale of kangaroo products from non-endangered species. Animal rights activists, led by the **Humane Society of the US**, have claimed Australia's lobbyists have been underhanded in their efforts, repurposing an unrelated bill to overturn the ban.

A complaint has been made to California's corruption watchdog about the Australian Government's alleged failure to disclose that it helped fund the lobbying. **Beazley** counters that endangered species are not at risk from the trade. 'We do not trade in endangered species ... The four species of non-endangered kangaroos that are harvested have a population numbering 49.3 million, twice the human population of Australia.'

Crisis Talks Amid Buffer Zones
European Union and Balkan leaders held emergency talks on the refugee crisis amid threats to three frontline states they will close their borders if northern borders stop accepting immigrants. The mini summit called by European Commission President **Jean-Claude Juncker** grouped the heads of the eight hard-hit **EU** nations, including German Chancellor **Angela Merkel**, plus the leaders of Serbia and Macedonia. The meeting came after Bulgaria, Romania and Serbia warned they would not allow themselves to become a 'buffer zone' for the tens of thousands of immigrants streaming into Europe.

Downer From Britannia
In an unusually strongly worded diplomatic memo sent to Whitehall, Australian High Commissioner **Alexander Downer** warned that Britain's planned policy shift on visas was potentially inflicting 'structural damage' to the 'uniquely close relationship' politically, economically, culturally and security-wise. In 2011, the **UK** closed certain key entry routes for Australian skilled workers and capped employer-sponsored visas at just 20,700 places a year citing requirements by the **European Union** to give preference to those from within the euro zone.

The cap is split for each month and in June this year for the first time the monthly cap was reached, in just 11 days. It has been breached every month since. Despite intense lobbying by the Australian Government to lift the cap and a debate in Westminster, which specifically asked how a nation with the Queen as its head of state should count for so little, the British Government is now set to make it even harder to employ non-EU workers.

It has asked the **Migration Advisory Committee** to look at how to restrict the automatic right of some dependants to work, tightening intra-company transfers, and limiting the time that sectors can remain on a 'shortage list' to beat restrictions as reported in the *Herald Sun*.

Weatherman Silenced
A French weatherman has broadcast the news of his sacking, saying he has been fired for writing a book challenging climate change. **Philippe Verdier**, arguably France's most famous weatherman, took to the internet to read a letter from the state broadcaster informing him of his dismissal.

His theatrical departure was designed to show debate is being stifled by the French authorities ahead of **COP 21**, the UN conference on climate change this month in Paris. **Verdier** was allegedly sacked by **France Televisions** for writing**Climat Investigation**, which claims scientists exaggerated the dangers of global warming.

In his book, **Verdier** claims the **UN's Intergovernmental Panel on Climate Change** is driven by political concerns. He says global warming is good for France, boosting tourism, reducing energy bills and improving health according to *The Australian*.

Whose Neighbourhood is it Anyway?
China wants to be the dominant power in its maritime neighbourhood, supplanting the US, whose Pacific Fleet has ruled the waves off Asia

for six decades. The **US Navy** warship which sailed through disputed waters in the South China Sea was 'warned, tracked and monitored' by Chinese authorities, who condemned the operation as 'dangerous' and 'provocative'. This has ratcheted up tensions between the competing superpowers as they jostle for influence in the region.

The Secret to Our Future
Rising India is key to allied hopes to deter China, according to **John Garnaut** in *The Australian*. Australia needs to work much harder to preserve its influence and interests. Increasingly they are united by their shared anxieties about China's rapidly growing military power.

No Foreign Ownership For Kidman
'Given the size and significance of the total portfolio … I have determined it would be contrary to Australia's national interest for a foreign person to acquire S. Kidman & Co.' Thus **Scott Morrison**'s announcement of his decision to block the sale, to Chinese ownership, of Australia's largest pastoral holdings.

For this decision, the Treasurer has been censured by agribusiness investor **Gerry Harvey** ('There's been a huge amount of Chinese and Asian investment in the industry and you take that away and the industry would be in big trouble'). Another critic has been **Simon Talbot**, chief executive of the National Farmers Federation ('Agriculture is on the cusp of its boom cycle, but the need for capital investment is a significant road-block to growth').

Even within the cabinet, a dissenting voice has been heard. Trade and Investment Minister **Andrew Robb** called the Treasurer's verdict 'political.' Mr Robb was quoted by *The Age* on November 21 as saying that Australia had 'always depended on foreign investment for agriculture, because no bugger here will put money into the sector. You can't get an Australian investor to put money into agriculture for love or money.'

Against that, Agriculture Minister **Barnaby Joyce** defended Mr Morrison's decision, pointing out that it was 'unremarkable' because 'a lot of countries don't allow foreign investors to purchase land at all.' Back in June, Mr Joyce told *The Australian*: 'The land we stand on is intrinsic to our values and identity as a nation. I wouldn't want to see Australian farmland become under the control of the government of another nation.'

DEFENCE

Paris a game-changer
The cold blooded attacks in the heart of Paris are a game-changer for the West according to **Cameron Stewart** of *The Australian*. They reveal a deadly change of tactics by **Islamic State** with chilling implications for democracies such as Australia.

Faced with setbacks on the battlefield, **Islamic State** has lobbed a bomb directly into the cradle of a Western democracy, carrying out its first major coordinated terror attack outside the Middle East on a scale that few thought possible.

Australia's response to Paris Attacks
A renewed push is under way to install Immigration Minister **Peter Dutton** as a permanent member of the **national security committee** of cabinet, amid growing concerns terrorists could pose as asylum-seekers entering Australia. The call came as Prime Minister **Malcolm Turnbull** issued reassurances that the looming intake of 12,000 Syrian refugees would not create a security risk following the Paris terror attacks as reported in *The Australian*.

Japanese Corporations Potentially Building Submarines in Australia
Three international corporations, from Germany, France and Japan, are competing to build submarines, and have all outlined their eagerness to build in Australia. Japanese officials have toured the **ASC** submarine construction and maintenance yard in Adelaide, informing their Australian counterparts that they were impressed with the facility as reported in *The Australian*.

Final say for ADF in China Port Lease
Australian authorities can take back control of Darwin's port from the Chinese company leasing it at any time of crisis using the Defence Act, Defence Department secretary **Dennis Richardson** has revealed. In an interview with *The Australian*, **Mr Richardson** said the plan to lease the port to the **Landbridge Group** for 99 years at a cost of $506 million was exhaustively examined by Defence and by **ASIO** and both judged that it did not pose any security threat.

Mr Richardson, who is also a former head of **ASIO**, said he agreed with Defence Force Chief **Mark Binskin** that spying could be more easily done 'sitting on a stool at the fish and chip shop on the wharf' and that it was 'amateur hour' to suggest the Chinese might use the lease to spy on US naval vessels and suggested some critics of Chinese investment were hiding behind the cover of defence and security. The deal has come under fire in recent days, amid calls for a Senate inquiry and demands for the Federal Government to overturn the lease as reported in *The Australian*.

Australia Joins International battle on Terror
Australia is joining a new international effort to confront terrorism across Southeast Asia amid **Interpol** warnings that 1200 foreign fighters have traveled from the region to the Middle East, heightening fears about attacks in their home countries.

Retired Commander to Manage Subs
A former US submarine commander with extensive experience running complex construction programs has been called in to manage Australia's biggest defence project, the selection and build of the navy's new submarine fleet. **Stephen Johnson**, a retired US Navy rear admiral, has been appointed general manager, submarines according to *The Australian*. Rear Admiral **Johnson** was chosen because of his extensive experience running large hi-tech projects including development of the revolutionary **Seawolf** class submarine for the **US Navy.**

In the **US Navy**, he served as director in charge of undersea technology in Naval Sea Systems Command and as commander of the **Undersea Warfare Centre**. In Australia, Rear Admiral **Johnson** will oversee the competitive evaluation process to chose the new submarine from design options submitted by companies from Japan, France and Germany, and also the sustainment of the six existing **Collins-class** submarines. In reality, all three contenders have said they are willing to build all or some of the submarines in Australia. Indications are that the government will opt for 8 to 12 new boats.

Climate Change, Defence Issue
Not enough is being done to prepare the **Australian Defence Force** to deal with the security threats and other consequences of climate change, warns a new report by former **ADF** chief **Chris Barrie**. **Admiral Barrie** says the Asia-Pacific is the most disaster-prone region in the world and the ADF is under pressure to help with climate-induced natural disasters.

'Climate change is driving more frequent and intense natural disasters, driving up food prices and displacing people, all of which can lead to conflict,' he writes in '**Be prepared: Climate Change, Security and Australia's Defence Force**,' which is published by the **Climate Council** as per *The Australian*.

How the Pitch Plays for Top Three Bidders
Each submarine bidder must in effect create a new submarine design to satisfy the navy's requirement of a 4000-plus-tonne, conventionally powered, long-range submarine. Each bid has its strengths and weaknesses, yet there has been a vast difference between how the Japanese have approached their bid and how the experienced submarine exporters, the German **TKMS** and the French **DCNS**, have handled it so far.

From the day **Malcolm Turnbull** became Prime Minister, the concept of a complete overseas build of the submarine fleet was dead in the water. The biggest strength of Japan's bid is that the **Soryu** is in the water and is a proven performer. The biggest strength of the bid is that Germany has a proven and impressive track record of building submarines for foreign navies.

The weakness is it has never built a 4000-tonne submarine. The biggest strength of the French bid is that **DCNS** already is building the 4500-tonne **Barracuda** nuclear boats and so has a solid platform on which to base its similar-sized conventional Short-fin **Barracuda**. The weakness is the uncertainty over the technical challenge of effectively converting a nuclear platform into a conventional submarine. Despite what some may claim, there appears to be no clear front-runner at this stage for what will be the nation's largest defence project according to *The Australian*.

INDIGENOUS

Kennett Carries Torch
Jeff Kennett, 67, is preparing to move on from **beyondblue**, the mental health advocacy group he has chaired since 2000. The former Victorian Premier has told the board that he plans to step down in June 2017 to focus on his new role at **The Torch**, a group that helps Aboriginal prisoners become artists to improve their post-prison prospects as per *The Australian*.

SPORTS & ARTS

Game Change Appeal
The **World Anti-Doping Authority** appeals the **AFL Tribunal's** not guilty verdict for the 34 current and former **Essendon** players accused of taking a banned substance. The **Court of Arbitration for Sport** hearing, beginning in Sydney on 16 November, comes more than 1000 days after **Essendon** 'self-reported' to the **AFL** and **Australian Sports Anti-Doping**

Authority (ASADA) over its 2012 supplements program.

It is also several months since the **AFL Tribunal** ruled there was insufficient evidence to comfortably prove the 34 current and former Bombers players were injected with the banned peptide thymosin beta 4. **LIV** Sports Law Committee chairman **Paul Horvath** said the case is unprecedented because of the sheer number of athletes charged and the absence of any positive drug tests. 'People say this is the biggest case in sports law history, arguably, ever,' **Horvath** said in the *Law Institute Journal*.

Melbourne to Play Host
A $2.25 million triennial festival to start in 2017 will make Melbourne the performing arts hub of the Asia Pacific, according to arts patron Carrillo Gantner. **Asia TOPA: Asian Pacific Triennial of Performing Arts** is to be held at the **Arts Centre** reports *The Age*. Victorian Creative Industries Minister **Martin Foley** announced State Government funding of $250,000 towards commissioning works by Victorian arts organisations in collaboration with Asian partners.

Save Our Kids
Seventy nine Victorian children have drowned in the past decade, but three out of five of the state's students still leave primary school unable to swim as per the *Herald Sun*.

SOCIETY

Grand Mufti Attempts to shift Blame
Australia's Grand Mufti snubbed a requiem mass for the victims of the Paris attacks and has refused to explain why he would not condemn the extremists who carried out the horrific killings. Grand Mufti **Ibrahim Abu Mohammed**'s attempt to shift blame for the attacks on everything from racism to Islamaphobia has angered Federal Government ministers and prominent Muslims.

Many other Australian Islamic organisations were quick to condemn the attacks and distance Muslims, many of whom were victims in Paris, from the terrorists. The *Herald Sun* reported that Federal Treasurer **Scott Morrison** stated 'I was very disappointed for Australian Muslims yesterday, I thought Australians were let down by the Mufti'.

Federal Justice Minister **Michael Keenan** has blamed Labor, in a column for *The Australian*, for having funded diffuse counter-terrorism programs that promoted multiculturalism rather than targeting radicalised individuals. He argued in his column that social cohesion programs identified in a peer-reviewed study were not 'a true reflection' of the work undertaken since the terrorism threat level was raised in September 2014. 'Programs funded by the previous Labor government prioritised social cohesion and prevention initiatives.'

On November 20, *The Australian* complained that 'only one of 87 federally funded "countering violent extremism" projects run over the past five years as part of the effort to prevent the rise of home-grown terrorism actually involves dealing with people who have been radicalised.' Meanwhile a recent Newspoll, commissioned by the same newspaper, indicates considerable public alarm.

The pollsters found that more than half of the Australians surveyed fear that a Paris-style terror attack is likely to occur on our shores, and that one-quarter of those surveyed are convinced it is inevitable. Two-thirds of respondents, according to the same poll, believe that the Muslim community is not doing enough to condemn terrorist attacks or to integrate into society.

National Anthem - Essential for Australia
Schools holding weekly assembly, raising the Australian flag and singing *Advance Australia Fair* is an essential part of Australian identity and should be compulsory according to **Dr Kevin Donnelly** in the *Herald Sun*. He states that the reality is that the Bible is the seminal text of Western nations such as Australia and that if Australia is to be a cohesive, open and prosperous society, future citizens must be taught to acknowledge and celebrate our national institutions and what makes us unique.

Pizza Hut drivers on 'sham' contracts
Australia's second-biggest pizza chain, **Pizza Hut**, is under fire as evidence emerges that its franchisees are using 'sham' contracts to pay delivery drivers as little as $12 and hour without super or WorkCover. It comes as the franchise giant is fighting its franchisees in federal court after the launched a class action against head office alleging unconscionable conduct under the franchising code as per *The Age*.

Bacon Causes Cancer: A Porky?
When the **World Health Organisation** advised that processed meats cause cancer, bacon buffs booed while business said it was baloney according to an excerpt from *The Age*. **UNSW** cancer researcher **Bernard Stewart,** who chaired the committee that conducted the review, said in embargoed comments before the release: 'No-one's proposing that we ban bacon, put warnings on hot dogs or take beef off the barbie. But this WHO review provides compelling evidence that the long-term high consumption of red meat and/ or processed meat increases your risk of cancer.'

Barnaby Joyce had concluded that the cohabitation of sausages and tobacco smoke within the same carcinogenic category rendered the exercise a 'farce', critics were claiming a vegan conspiracy and one *Fairfax* reader called for a ban on hot dogs at children's birthday parties. Based on the evidence contained within 1000 previous studies, the **WHO's International Agency for Research on Cancer** put processed meat in the top carcinogenic category, along with tobacco smoking, UV rays, outdoor air pollution and red meat all in the same category as wood fires. But Professor **Stewart** said it was 'a distortion' to equate red meat and processed meat with cigarettes.

Breathe To Drive
Australia's peak road safety body has called for alcohol interlocks to be fitted to every vehicle in Australia, requiring all drivers to sit a breath test each time they turn on the ignition to dramatically cut the high rate of alcohol related deaths. The aggressive strategy for tackling alcohol related road deaths and injuries has been put forward by **AustRoads** (which includes **VicRoads** and **NSW Roads and Maritime Services**) in a 178 page report that found that the rate of alcohol related deaths in Australia far exceeds global averages according to *The Age*.

The End of History
In July 2015, the *IPA* released the results of its study '**The End of History ... in Australian Universities**.' The report reviewed 739 history subjects offered across 34 Australian tertiary institutions in 2014, including 34 history programs and 10 separate ancient history programs, and is the first comprehensive account of Australian undergraduate history subjects. The report adopts a methodology developed by the **Australian Historical Association** in 2004. In 2014, only 15 British history subjects were offered across 10 institutions. Australian national history remains well represented, with 137 subjects on offer across 33 institutions. In some smaller universities, Australian history forms the full scope of history offerings. Offerings on Asian and US history were few by comparison to Australian history.

Objective Reporting Endangered
The passion and purpose of good journalism comes from facts, not spin or sophistry according to **Alan Sutherland**. Anyone who simply collects facts and sets them down is not a reporter. That's not journalism, it's stenography. It has always been the case that reporters need to sift through facts, weigh them up, make editorial judgments about their relative strength and importance and then present them in a way that illuminates the truth of the matter. It's not called 'editorial' content for nothing.

This process of making editorial judgments about facts is fundamental to great journalism. What it does involve is gathering information without fear or favour, weighing and assessing that information and then reaching a conclusion based on the evidence. It involves a conscious and disciplined process where the evidence is not misrepresented or suppressed if it doesn't suit a preconceived opinion as per *The Australian*.

The key here is what tools a reporter uses in this process of weighing the evidence. You can rely on your own prejudices and preconceptions, picking the facts that support your opinion and ignoring the ones that don't. Or you can try to set aside your own views and instead be led by the facts, by what you uncover as you turn over an issue and examine all its sides. **Alan Sunderland** is a director of editorial policy at the **ABC**.

Law Firms Swamped
The number of law graduates hit a record 14,600 last year, up 9 per cent in an industry that employs only 66,000 solicitors according to the *Financial Review*. The increase was driven by post-graduate law courses, which increased graduates 14 per cent to 8200. 'Law firms can't employ an unlimited number of graduates, and on the other side universities are making money by selling [a legal education],' **Clifford Chance Sydney** managing partner **Mark Pistilli** said.

VALE

Very Sad
Two men and two women are confirmed dead in bushfires which have been more severe than any others in the history of Western Australia, and which – according to the *Financial Review* on November 19 – have 'burnt through more than 200,000 hectares of prime agricultural country.

Lots of dead livestock. A frightening storm at the weekend sparked about a dozen fires across the south-west of the state near Esperance.'

Very Sad
Two Australians are believed to be among the seven people who were killed after a helicopter crashed on Fox Glacier, on New Zealand's South Island. Foreign Minister **Julie Bishop** released a statement. 'My sympathies are with the families of the crash victims at this very distressing time.'

Very Sad
In November 1962, the Australian pop charts' hottest hit was a novelty song by British comedian **Charlie Drake**. Entitled *My Boomerang Won't Come Back,* and produced by none other than **Sir George Martin** before the latter achieved global fame and a knighthood via his work with the Beatles, it dealt with an Aboriginal boy disowned by his family.

Its lyrics included such passages as: 'My boomerang won't come back … / Practised till I was black in the face / I'm a big disgrace / To the Aboriginal race.' The long-forgotten ditty – which the BBC actually banned at the time it appeared in its original form, eventually permitting only a bowdlerised version of it that included the words '*blue* in the face' – turned up of late on ABC Radio's Hobart station, thanks to a listener's request.

But since then the national broadcaster has said that it had removed the track completely from its system, and had taken steps to ensure that the playing of it on-air 'would not happen again. This error was due to staff not being familiar with the track's lyrics.'

As the *Herald Sun* reminded readers on November 24, this is by no means the only time Australian and British authorities have forbidden the broadcasting of popular songs. The melody of **Bing Crosby**'s *Deep In The Heart Of Texas* was thought to be so infectious as to make World War II factory workers want to bang their tools in time with the tune, rather than actually doing their work.

More recently, the sex and drug references characterising Cold Chisel's *Khe Sanh* (1978) got that song prohibited from Australian airplay. And *Six Months In A Leaky Boat*, by Split Enz, was likewise unplayable in Britain four years afterwards; its title alone made it problematic during the Falklands War.

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To enter, read the competition guidelines and email your submission to josh@affairs.com.

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- The submission must be of contemporary importance to Victorian or Federal issues.
- The submission will only be accepted by email to josh@affairs.com.au.
- Write "AOS ESSAY COMPETITION_YOUR NAME_ESSAY TITLE" in the subject heading and a paragraph in the email stating why you applied (no more than 250 words)
- Format the text in twelve-point font, single spaced text, numbered pages in .doc or .docx format with no spelling or grammatical errors.
- The submission should not exceed a word count of 750 words.
- An email will be sent to applicants notifying when the winner has been chosen.

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