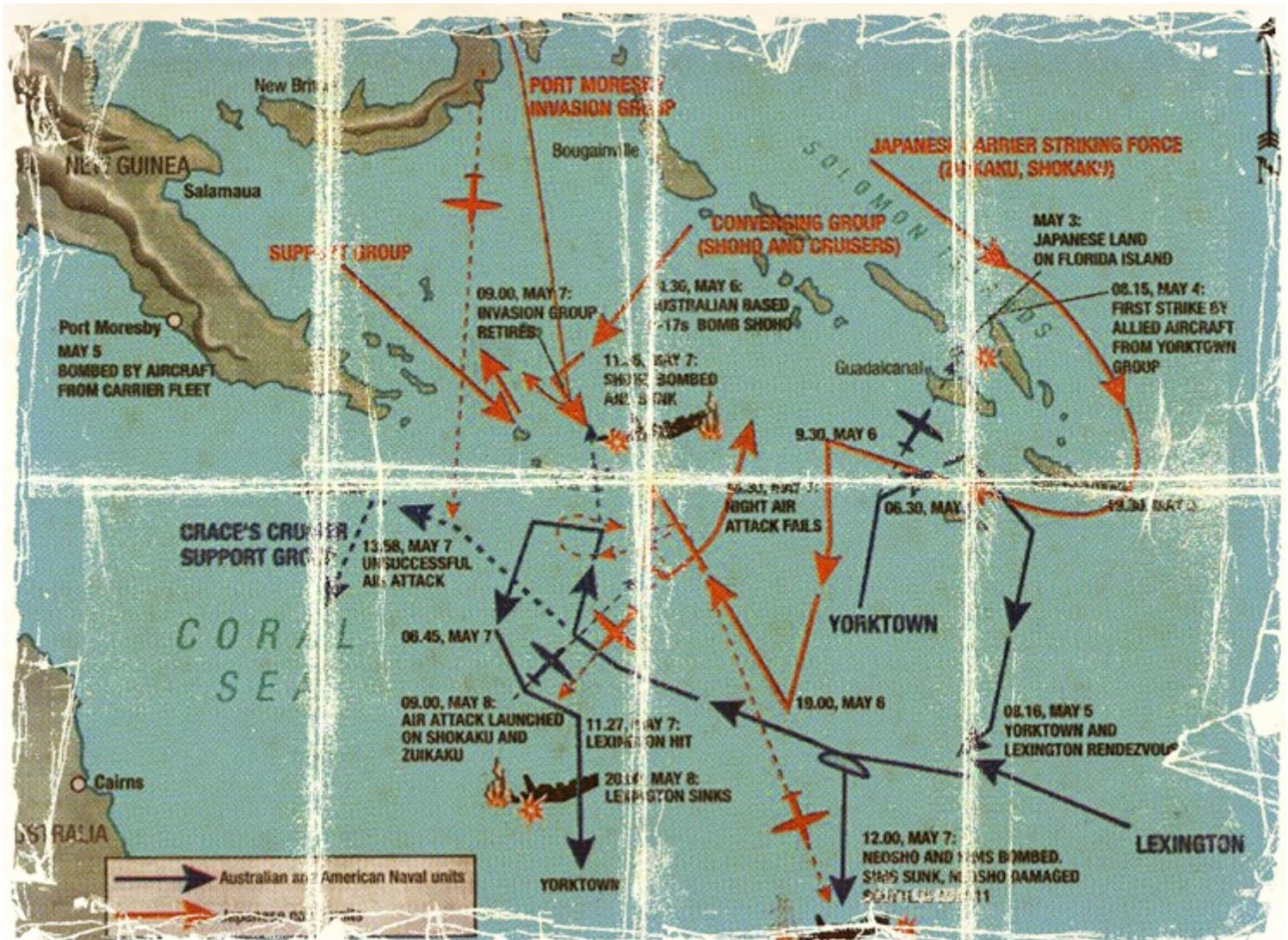


LETTER FROM CANBERRA

Saving you time for nine years.



Cold Autumn Edition

IN THIS ISSUE

- 18 C (free speech and similar).
- Keating and others on Housing
- A not-strong energy system, grid and all
- Gas and cattle
- Sally McManus
- More on free speech
- Housing. Housing
- Hawke Beer

LETTER FROM CANBERRA

A monthly digest of news from around Australia.
Saving you time; now in its ninth year.

ABOUT US

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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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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.

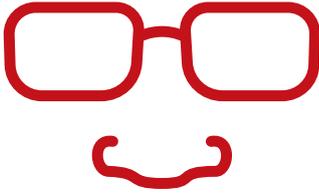
He was admitted as a barrister and solicitor to the Supreme Court of Victoria, and remains a (non-practicing) member of the Law Institute of Victoria. Previously, he graduated from high school in Bethesda, Maryland, and had many opportunities to become aware of the workings of Washington D.C.

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.



Hopefully Melbourne gets one of these soon.



EDITORIAL

It has been a busy month for your Editor as he has read most the daily papers and also spent some time polishing up his intelligence as a tutor at the Engineering School up in Carlton, hopefully giving as much as he was learning.

Interesting to see the way that officialdom or bureaucracy easily becomes often but not always a necessity for the Education System. One can reflect how the system is in every corridor of every level of learning, though some practical leaders can avoid some of it.

Changing the subject slightly, we are seeing at close hand, in Victoria, and other states, how the union movement or system, and now also some more modern social groups, have such an effect on the Whole System, obviously including the quality of the end product. Perhaps the trick is to learn how to dodge parts of the system, honestly and professionally.

The federal Budget was laid out in advance of the Treasurer's Speech, which perhaps disappointed some of the media. Education was right up there. As was Infrastructure. Though no signals that many Canberra parliamentarians can really spell the word Energy, as in Australia's Future. Many of us who have been around a few years do miss the longer term discussions by several groups that have discussed before sitting in parliament, what the best plan is and what the best deals are. No doubt all will agree on a four year term. The sooner the better. The Brits sort of have a five year term.

Cover. Map of the Coral Sea

An Australian specialist in defence and foreign affairs recently critiqued some commentaries on the Battle of the Coral Sea, that it was not a naval battle which stopped the Japanese navy, and some troopships attached, from landing in Australia. Whatever the case, the Jap navy had been heading for Port Moresby, to support setting up a methodology for the bombing of Australia. The Brisbane Line, just north of Brisbane, was to be the focus for a scorched earth policy by Australia if the Japanese did land in Northern Australia. The map is just to be sure that all readers ad ther Family know where the Coral Sea is.

Budget details in the next Edition, which is hurrying along behind this Edition.

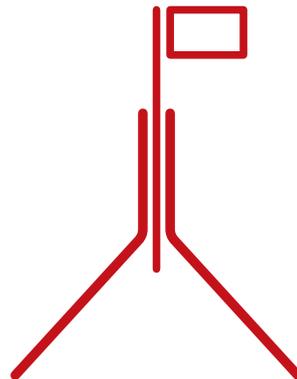
Pleasant reading.

Items herein

- 18 C (free speech and similar).
- Keating and others on Housing
- A not strongly-based energy system, grid and all
- Gas and cattle
- (Suggest you google 'Fracking', or read Letter From Melbourne.
- Sally McManus
- More on free speech
- Housing. Housing
- Hawke Beer

NEXT EDITION

- Adani coal mine in Queensland hits Green wall
- The BUDGET details



GOVERNANCE

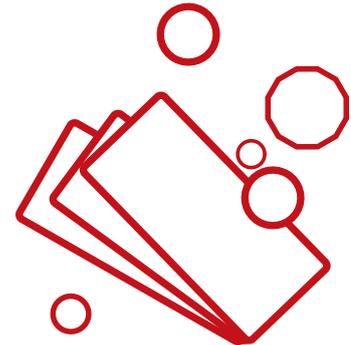
Hmmm. Let's start to fix it

Australians' satisfaction with democracy has collapsed to its lowest level since the Whitlam dismissal, according to a major study

that shows the country in a distrustful mood. Unsatisfied with democracy, politicians being out of touch, who the government is run for, disinterest in the election, voting volatility, feelings towards political parties, effect on the economy, immigration and refugees, THE AGE.

Coalition Cautious Over Wage Rise

The **Turnbull** government has urged the Fair Work Commission to take a cautious approach to raising the minimum wage, warning an 'excessive' pay rise could imperil job creation in a changing economy. In a submission that will incense low-paid workers still angry over the commission's cut to some Sunday penalty rates – a decision Prime Minister Turnbull has backed – the Coalition said low-paid workers 'are often found in high-income households', THE AGE.



THE BUDGET

Good thoughts for the Debate

Ideas gaining currency include removing the disincentive for retirees to stay in their homes by quarantining some of their financial assets. At present the family home is excluded from the pension eligibility test but cash is not. Treasurer **Morrison** also is understood to be considering changing superannuation rules so first home-buyers' super savings may be used to help people on to the housing ladder earlier in life, THE AGE.

PNG Visit Slammed

Turnbull has travelled to Papua New Guinea, but he has copped an extraordinary spray for the 'insensitive' and 'dangerous' timing of the trip ahead of local elections. PNG's former prime minister Sir **Mekere Morauta** accused Turnbull of interfering in domestic politics of Australia's neighbour two weeks before the country's caretaker period begins. Turnbull has not travelled to PNG since

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taking over the top job in 2015 and Mr Morauta said the government in Port Moresby would 'spin' a visit so close to the election as an endorsement of Prime Minister **Peter O'Neill**, THE AGE.

MP Trusts

Federal politicians and their spouses are using family trust more than any Parliament before them, and at 10 times the rate of ordinary Australians. Trusts are growing fast in popularity, particularly among wealthier Australians as a way of minimising tax, and are now estimated to cost government coffers up to \$2 billion in lost taxes every year. However, the issue has not been raised as part of the current tax debate.

'It's not surprising they are reluctant about reform and legislating to rein in trusts' said business author and former tax officer **Rod Caldwell**. 'You're asking them to legislate against their own hip pocket interests.' A Fairfax Media analysis has identified that almost half (47 per cent) of Coalition MPs or their immediate families have an interest in trusts, a proportion considerably higher than previous parliaments and much greater than in the wider population, THE AGE.



PARTY HAPPENINGS

When will we ever learn..

The Australian Electoral Commission will investigate claims that **Pauline Hanson's** One Nation party breached electoral disclosure laws by failing to declare a private plane allegedly donated by a Victorian businessman, THE AGE.

Former Labor MP Guilty

On Thursday, former New South Wales Labor minister **Ian Macdonald** was found guilty of criminal misconduct over the deal and faces the prospect of joining his one-time political ally **Eddie Obeid** in jail, THE AGE.

Labor's GFC Response Slammed

A damning Treasury-commissioned independent review of the former Labor government's unprecedented spending response to the global financial crisis has found it was a 'misconceived' waste of money, fundamentally weakened Australia's economy, almost

destroyed parts of the manufacturing sector and inflicted more long-term harm than good.

The review is also scathing of government failure on both sides of politics to address the budget crisis triggered by the \$100 billion fiscal stimulus project, which has saddled the nation with the fastest-growing public debt in the world. 'There is no evidence fiscal stimulus benefitted the economy over the medium term' says the paper, THE AUSTRALIAN.

Liberal Party Election Review

A review of the Liberal Party's 2016 election campaign will lay the blame for the Coalition's near loss on a collective failure by senior levels of the government over three years, as well as near-fatal mistakes by the party's campaign machine. One section of the report is believed to cite failures under **Tony Abbott**, while pointing to a lack of strategic direction or political narrative within the government.

The report, while not singling out any one person, cites critical errors of judgement during the campaign, suggesting that the refusal to rebut Labor's Medicare scare campaign cost the Coalition six seats. The party's federal director **Tony Nutt**, who resigned his post ahead of the release of the report to the party's federal executive, has been blamed for a series of critical strategic and tactical mistakes.

The review was led by former cabinet minister **Andrew Robb** and assisted by former NSW Liberal premier **Barry O'Farrell**, general secretary of the Queensland division of the party **Carol Cashman**, and former cabinet minister **Chris Ellison**, THE AUSTRALIAN

A-G Terminally Ill

Tasmanian politics has been left 'terribly distraught' and the wider community saddened by news that Attorney-General **Vanessa Goodwin** has an aggressive form of brain cancer and is not expected to recover, THE AUSTRALIAN

O'Dwyer Baby Joy

Federal Minister **Kelly O'Dwyer** has announced the birth of her son, Edward. Ms O'Dwyer is the Minister for Revenue and Financial Services and is the local member for Higgins in Melbourne. Ms O'Dwyer, who has a 22-month-old daughter, Olivia with husband **Jon Mant**.

No Thanks..

Bronwyn Bishop has avoided a planned review of her use of entitlements over the last 10 years by cutting short her participation in the investigation, which had already led to the former Speaker repaying taxpayers \$6,700 for costs related to her attending her colleague's weddings and **Kerry Packer's** funeral.

Mrs Bishop was forced to resign her position of Speaker in August 2015, when it was revealed a month earlier that she had chartered a \$5000 helicopter to fly her from Melbourne to Geelong—just 80 kilometres away—to attend a Liberal Party fundraiser at taxpayers' expense. Mrs Bishop told the department on May 5, 2016, that as she was quitting as MP, she would no longer co-operate with the review, THE AGE.

Swanny Still Kicking

Wayne Swan, 62, entered Parliament in 1993 and served as treasurer, and later deputy prime minister throughout the Rudd-Gillard years. 'I thought it was fine for him to hang around for one term but it's strange he's still around' says a Labor frontbencher. 'A lot of his colleagues wonder why he's still there'. 'I want to speak out on the issues I'm passionate about and in a way that's constructive for the Labor Party—not just in the short term but the long term' Swan says, THE AGE.

Liberals Outdated Campaigning

A little in **Andrew Robb's** secret Liberal Party report on why the Coalition almost lost last year's federal election helps explain the near-desperate interest. "We must get into data and analytics in a major way if we are to be competitive" it says. That is an acknowledgement of serious negligence by the party organisation. One prominent Liberal MP, who is plugged into modern election campaigning techniques, goes so far as to call it 'criminal' negligence.

He says: 'The science of targeting voters is becoming more sophisticated. The Liberal Party is way behind Labor and the unions. We've let them steal a march on us I'm terrified of the next campaign'. **Sally McManus's** recent elevation to the post of ACTU secretary gives focus to that fear.. McManus, who for some time has been the union movement's head of campaigns, is almost certainly Australia's most skilled campaign director.

She not only organised the army of union volunteers who doorknocked and phoned voters on Labor's behalf in 2016, but is also the full bottle on accessing and analysis a wide range of data sources for campaign purposes. Apart from anything else, even if the claims about psychographics were true, Australia's privacy laws mean the masses of data that can be bought in the US are simply not available here.

Also, the best data-driven communications operation in the world will not help if the message is hopeless. The Robb report acknowledges the lack of clarity and direction in the Liberal message. Coalition campaigning is rusted on to old techniques. The Liberals have not invested in either people or technology, writes **Laurie Oakes** for the HERALD SUN

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Liberal Standoff

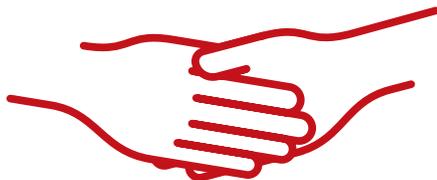
A major Liberal Party benefactor will continue to withhold hundred of thousands of dollars to the cash-strapped party, with **Michael Kroger** set to remain president of the Victorian branch of the party. On April Fools' Day the party held its state conference, when Mr Kroger was re-elected, after challenger **Peter Reith** withdrew after suffering a stroke.

Mr Kroger and the Cormack Foundation have been locked in a stand-off over the financial governance in the wake of the embezzlement of \$1.5 million by former party director **Damian Mantach**. The foundation, which includes business figures **Hugh Morgan**, **John Calvert-James** and **Charles Goode**, want Mr Kroger to separate the presidency from the chair of the finance committee, THE AGE.

Bishop Hits Out at Loyalty Criticism

Julie Bishop has hit back at suggestions she was disloyal to former prime minister **Tony Abbott**, saying she was elected deputy leader by the Liberals' party room and her loyalty is to her colleagues and not the leader, THE AGE

Labor would retire coal-fired power plants and never fund new ones under recommendations from a Senate committee. The recommendations, contained within a Labor-steered Senate select committee draft report into electricity resilience, have been 'fundamentally rejected' by the Coalition as part of a report that is so biased that it could have been written before the inquiry even commenced, THE AGE.



INDUSTRIAL RELATIONS AND EMPLOYMENT

ACTU Comments Slammed

Waterfront warrior **Chris Corrigan** has blasted a call by new union boss (ACTU Secretary) **Sally McManus** to break 'unjust' laws and said the industrial umpire, the Fair Work Commission, should be scrapped. The outgoing chairman of Qube Logistics said the comments by Ms McManus, the new secretary of the Australian Council of Trade Unions, were 'outrageous' and would lead to a lawless society.

When she was elected last month, Ms McManus said industrial laws were wrong. 'When it's (the law) unjust, I don't think there's a problem with breaking it' she said. Mr Corrigan was the chairman of Patrick Stevedores in the late 1990's, THE AUSTRALIAN.

Exploited Workers

Overworked and often underpaid. Restaurant workers may be more exposed to exploitation because so few are unionists, writes **Emma Buckley Lennox** who is deputy chair of Liberty Victoria's Rights Advocacy Project writes for THE AGE.

Waiting for Payment

Ripped off workers owed hundreds of thousands of dollars by fast-food giant Domino's Pizza are still waiting to be repaid almost two years after the underpayment was discovered, THE AGE.

Push for Union to Pay Alcoa

The national workplace regulator is seeking to force the Maritime Union of Australia to pay \$500,000 in compensation to Alcoa and incur

heavy financial penalties for alleged unlawful industrial action, igniting a fresh political brawl between unions and the **Turnbull** government.

In a swipe at claims by ACTU secretary **Sally McManus** that unjust laws could be broken, acting Fair Work Ombudsman **Michael Campbell** declared unions and workers must comply with the law, as he revealed legal action had been launched against the MUA and nine crew members over the stranding of the large cargo ship MV Portland between November 2015 and January last year. ACTU President **Ced Kearney** lashed out calling for an inquiry into 'political use' of the agency by the Coalition, THE AUSTRALIAN

United Petroleum Investigated

Petrol giant United Petroleum has been blasted by the workplace regulator for rampant underpayment of workers across its franchise network after a series of raids, THE AGE.

Lobby to Water Down Franchise Bill

The peak body for the \$150 billion franchise sector has launched an intense behind-the-scenes lobbying campaign to convince MPs to water down **Turnbull** government legislation designed to prevent future worker exploitation scandals. Spearheaded by former Liberal minister **Bruce Billson**, the Franchise Council of Australia is targeting the government, opposition and crossbenchers as it seeks to pressure Employment Minister **Michaelia Cash** into changing course on the bill.

It has also directed its members – which include 7-Eleven, Pizza Hut, Caltex and other firms accused of underpaying workers – to bombard MPs with calls and letters about the Fair Work Amendment Bill, THE AGE

New Laws for Secret Payments

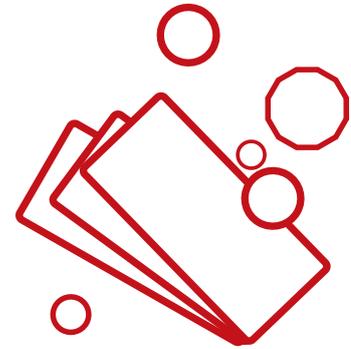
Employers and union officials will face up to 10 years' jail and companies will be fined as much as \$4.5 million if they give or receive secret payments designed to corrupt a union official under new laws the **Turnbull** government will introduce. **Turnbull** said Australians were 'horrified' that unions could trade away workers' entitlements in return for improper payments from companies.

The government would take up recommendations of the Heydon royal commission into unions by making it a criminal offence for improper payments or benefits to pass between employers and unions. Companies would face penalties of up to \$4.5 million and individuals fined \$900,000 or jailed up to ten years if they make or receive, solicit or offer payments or benefits intended to corrupt a union official, THE AGE.

Watson Calls for System Overhaul

The employment safety net needs a wide-ranging overhaul and minimum rates of pay should be cut to help solve youth unemployment, says former Fair Work Commission vice-president **Graeme Watson**. In his first public appearance since resigning last month, Mr Watson used a speech at the Centre for Independent Studies to criticise his former boss, Fair Work Commission president **Iain Ross**.

Mr Watson suggested Justice Ross has presided over an administration that marginalised commissioners like himself with a business background in favour of other who, like Justice Ross, had a union background. The national safety net was set higher than in other countries, he said, and was unusual by international standards, THE AGE.



BUSINESS, ECONOMY, MANUFACTURING AND FINANCE

ASIC Warns of Housing Crisis

The corporate watchdog has stepped up warnings on the outlook for the housing market, raising the fear the hot east coast property scene resembled the US ahead of the subprime mortgage crash. Australian Securities and Investment Commission chairman **Greg Medcraft**, who is coming to the end of his seven-year tenure as the head of the corporate watchdog, said watching the local property rush was 'like groundhog day', THE AGE.

Business Lobbying Unethical

Business leaders using corporate names and resources to lobby for same-sex marriage should study Business Ethics 101, says Sydney's Catholic archbishop **Anthony Fisher**. Archbishop Fisher singled out Qantas, Telstra and accounting firm PricewaterhouseCoopers in his address to the Sydney Catholic Business Network at a business lunch at the Hyatt Regency hotel.

He said Qantas and Telstra workers reported being bullied by executive staff to participate in 'optional' LGBTI events and same-sex marriage lobbying. Archbishop Fisher, a former commercial lawyer, said if company bosses revised Business Ethics 101, they might recall businesses were established for a particular purposes, such as the provision of transport, and to prosecute those purposes within the confines of ethics and the law.

'Businesses should not use their commercial power to hold managers, employees, customers and the broader community to ransom on matters unrelated to the purposes of business' he said. 'They misused their authority and their corporation's and shareholders' resources when they pursued private social or moral ends', THE AUSTRALIAN.

Housing Market to Get Worse, Says WACC

Perth homeowners are 'taking very big hits' in a failing local real estate market that the West Australian Chamber of Commerce warns may get even worse under a national housing affordability package favoured by the **Turnbull** government, THE AUSTRALIAN

Small Business Tax Cut

The **Turnbull** government has secured a tax cut for more than 800,000 small companies in a Senate deal that also delivers bonus payments for millions of pensioners, cementing a vital part of the Coalition's agenda but shelving tax relief for big business. More than two million small employers that operate as sole traders or unincorporated businesses will also win from \$450m in more generous tax discounts and \$2.2 billion in concessions.

Turnbull insisted the government remained committed to the entirety of its sweeping company tax cut at a cost of \$48.7 billion over 10 years, but the policy is under a cloud after Labor, the Greens and most crossbenchers vetoed cuts for companies over



DINERS ON MELBOURNE'S LYGON STREET TREATED TO A PARADE OF RED IN CELEBRATION OF ITALIAN CULTURE.

the \$50m threshold. In the biggest single concession to secure the deal, the government announced a one-off payment for recipients of the Age Pension, the Disability Support Pension, and the Parenting Payment at a cost of \$260m, THE AUSTRALIAN.

Consumer Confidence Down

In simple terms, Australian consumers have begun to tighten their belts. Unfortunately few in the government and in the business community fully appreciate what is happening in parts of the retail sector. I received a danger alert from my old friend **Charlie Nelson** at Foreseechange who for decades has been remarkably accurate in predicting retail changes. This week's warning is really a confirmation of the early signs that emerged last September and are mentioned in 'Shand's' comment below.

Then I received two other alerts. ANZ-Roy Morgan Australian Consumer Confidence fell 2.4 per cent to 111.1 in the week ended April 2, its lowest since October 2015. The fall in confidence was broad based with four out of five sub-indices recording declines. And finally yesterday I was chatting to the local winemaker who tells me 2017 has been much tougher than usual, writes **Robert Gottlieb** for THE AUSTRALIAN.

Keating Gone Cold on Liberalism

Former prime minister **Paul Keating** – architect of some of the most profound economic reforms in the country's history during the 1980s – has launched a surprise critique of the liberal economic

philosophy he once championed, declaring it has 'run into a dead end'. Mr Keating made his remarks in response to a speech delivered by the new leader of the ACTU, **Sally McManus**, at the National Press Club in Canberra, THE AGE.

Banking Commission Gaining Support

Pressure is building for a commission of inquiry into Australia's scandal-plagued banking system after the Senate crossbench threw its weight behind a Greens bill to establish one, THE AGE.

WA Budget Trouble

Western Australia's new Labor government has asked **Scott Morrison** for an urgent \$226 million cash injection to help address what Premier **Mark McGowan** called his state's worst fiscal crisis since the Great Depression. As the WA Treasury yesterday confirmed a worrying deterioration in the state's finances since February, Mr McGowan warned that his government's first budget in September would be 'tough and uncompromising', THE AUSTRALIAN

Trust Issues

Banks are dealing with an 'implosion of trust and an explosion of scrutiny', former Queensland premier **Anna Bligh** has warned. In her first speech since her controversial appointment as head of the Australian Bankers Association lobby group, Ms Bligh said it was her mission to reverse a 'profound and fundamental shift

in trust' against institutions like banks that is happening all over the world, THE AGE.

RBA Weighs in On Housing Crisis

The RBA chief **Phillip Lowe** partially attributed booming house prices – which many fear will lead to an economically and socially catastrophic bust and which, in the meantime, are locking many out of the property market – to 'the taxation arrangements that apply to investment to residential property in Australia'.

He is evidently referring to the stimulus in demand for investment properties caused by negative gearing – reducing taxable income by writing off the net costs of borrowing – and the 50 per cent concession on capital gains tax on investment properties. Dr Lowe is in effect adding his powerful voice to the influential chorus calling for the government to reduce this distortion of the housing market, THE AGE.

Super Not the Fix For Housing

What do you think would happen if I walked around at an auction and handed first home buyers an extra \$25,000 from their super funds? They'd just throw in a few higher bids. Then after the house sold they'd say...'By jingo, look at how much prices are jumping! Thank god I was able to access my super!', writes **Scott Pape** for the HERALD SUN.

Edging Towards Inequality Cliff

Former Reserve Bank boss **Bernie Fraser** has savaged the Fair Work Commission's cuts to penalty rates and the **Turnbull** government's company tax cuts, saying the measures will further entrench inequality but do little to produce jobs and growth. In a rare public intervention, Mr Fraser has said that Australia is approaching a 'danger point' where the gap between rich and poor becomes so vast it could have 'awful' far-reaching consequences at every level of Australian society.

Mr Fraser, who was the head of Treasury for five years before serving as RBA governor from 1989 to 1996, is one of 75 prominent Australian economists and academics who have joined forces to pen an open letter deeply critical of the cut to some Sunday penalty rates, THE AGE.

Plan for One Super Fund

Workers would be allocated one default super fund under a draft proposal to overhaul the superannuation system. Union-dominated super funds would lose their special status under the draft Productivity Commission recommendation that would delink super from awards and allocate new workers to default funds only once.

Two-thirds of Australian workers stick with the default fund chosen by their employer or industrial agreement, and many end up with multiple accounts after being put into new default funds each time they change jobs. The commission believes 40 per cent of workers have more than one account, meaning that many have multiple life insurance policies and multiple sets of administrative costs. The combined administrative and unnecessary insurance costs amount to \$150 million for every 500,000 to 600,000 duplicated accounts, THE AGE

Housing Supply

Housing supply chokehold is self-inflicted. The basic reason why prices have risen so strongly is because government policies have restricted supply of housing land, both on city edges and for urban redevelopment. As a result, since the 1980s, the number of houses and apartments



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increased by only 40 per cent compared with population growth at 60 per cent and an even greater increase in household numbers.

Other factors have amplified the resulting price increases. Among these is a growth of foreign investment. Low interest rates, has bought a further impetus. And while the Commonwealth is considering measures to increase housing supply by offering tax breaks on downsizing, it is also contemplating allowing people to tap into their superannuation, a measure that will add further demand.

Existing policies divert household savings away from productive investment uses. Over half of households' \$11,000 billion of assets are in dwellings. Clearly, we could be so much more affluent if we could eradicate the wealth-sapping waste caused by government housing policies, writes **Alan Moran** for the HERALD SUN.

Tax Dodger's Targeted

The Turnbull government is expected to announce interim measures in the May federal budget aimed at beginning a long journey to claw back up to an estimated \$15 billion in lost federal tax revenue and illegitimate welfare payments due to widespread cash economy activity. The man heading the federal government's 'Black Economy Taskforce', Board of Tax chairman **Michael Andrew** said he was shocked by the scale of the problem, with exploitation of vulnerable workers such as students and temporary visa holders rife, THE AGE.

RBA Weighs In on Housing Crisis

Reserve Bank Governor **Phillip Lowe** has intervened in the debate over tax in the lead-up to the budget, blaming tax arrangements for property investors and lax bank lending standards for the explosion in Melbourne and Sydney home prices, THE AGE.

Black Economy Taskforce

The Turnbull government is expected to announce interim measures in the May federal budget aimed at beginning a long journey to claw back up to an estimated \$15 billion in lost federal tax revenue and illegitimate welfare payments due to widespread cash economy activity. The man heading the federal government's 'Black Economy Taskforce', Board of Tax chairman **Michael Andrew** said he was shocked by the scale of the problem, with exploitation of vulnerable workers such as students and temporary visa holders rife, THE AGE.

Supermarket Sector Boom

Coles and Woolworths' sales will grow by as much as 5 per cent in the next five years as Australian households buy more supermarket food to cut household costs and offset rising utility bill and childcare costs, THE AGE.

Greater Consumer Protection Needed

The corporate regulator has called for sweeping changes to consumer protection laws following its investigating into Commonwealth Bank's troubled life insurer Commlnsure. The Australian Securities and Investment Commission found the insurer's use of out-of-date medical definitions to deny claims were not against the law but fell 'short of what the community reasonably expects, and can result in poor outcomes for consumers', THE AGE.

The Post That Hurts The Most

Spurred on by public anger at chief executive **Ahmed Fahour's** \$5.6 million salary, Finance Minister **Mathias Cormann** announced he had written to the heads of seven government business enterprises demanding they reveal their executive remuneration packages. Liberal senator **James Paterson**, who forced Australia Post to disclose Mr Fahour's salary to a Senate committee in early February said it was 'not appropriate' for the post service to shield Mr Fahour's salary and that taxpayers have a right to such information.

It was new rules introduced by the **Abbott** government in 2015, as part of its much-hyped red tape 'bonfire', that gave the green light to entities to strip out the detail of senior executive remuneration from annual reports, THE AGE.

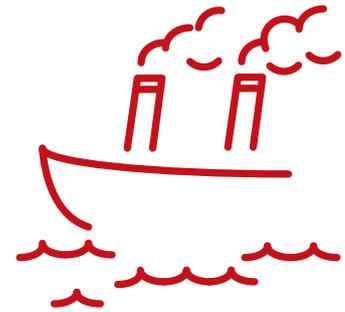
Shame

A loophole in Australia's labelling laws means supermarkets do not have to list a product's country of origin on their online shopping websites. A Food Standards Australia and New Zealand spokeswoman said country-of-origin labelling applied only to food packaging. 'The code does not include requirements for labelling at point of purchase (such as a website)' the spokeswoman said.

The loophole means Coles, Woolworths and other retailers can display an image of a product on their website without any legal requirement to state its country of origin. Agriculture Minister **Barnaby Joyce's** office said that 'at this time the Government is not imposing requirements on online retailers beyond those applicable to bricks and mortar stores'.

'The majority of consumers still shop for groceries in bricks and mortar stores and prefer seeing country-of-origin information on a physical label'. The minister's spokeswoman said. 'However, in recognition that this sector continues to grow, the Government does encourage online retailers to display origin information digitally when selling online'.

Coles' online shopping site identified many products as Australian, but most products had no information on their country of origin. A Coles spokeswoman said 'There is currently no explicit requirement for online statements regarding country-of-origin labelling, THE WEEKLY TIMES.



TRADE

India FTA Not Priority

Prime Minister **Turnbull** says a potentially lucrative free trade agreement with India is now on the backburner, effectively declaring **Tony Abbott's** dream of an express negotiation phase had been unrealistic. On his first visit to India, an economic powerhouse in waiting, Turnbull has also warned businesses they must be realistic about what deals can be achieved, THE AGE.

Aid Not Charity

Australia's Minister for International Development **Concetta Fierravanti-Wells**, has fired a warning shot to the region that 'aid is not charity' and that taxpayers expect aid expenditure to benefit their own country. It followed an unexpected request from Australia's nearest neighbour and biggest aid recipient, Papua New Guinea, to convert our \$558 million annual aid program to direct budgetary assistance for the PNG government, THE AGE.

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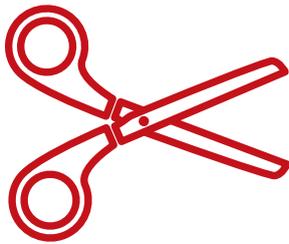
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TAX

MNC Tax Crackdown

Fresh from issuing \$2.9 billion in bills in a blitz largely targeting the tech sector, the tax office is closely scrutinising Australia's biggest ever resources project, the \$60 bn Gorgon field off the coast of WA. It is believed the ATO is examining the financing of the project, which is helmed by Chevron with joint venture partner Shell and ExxonMobil.

The ATO has flagged deep concerns about the billions of dollars a year in interest the local arms of resources multinationals are paying to offshore affiliates as the sector embarks on a \$291bn building spree, THE AUSTRALIAN.

Risky Lending Curbed

The prudential regulator has confirmed fears of rising instability in the financial system, clamping down further on the banking sector's runaway growth in riskier loans and lending to property investors as it turns the screws on the shadow banking sector for the first time.

The tough new rules announced by the Australian Prudential Regulation Authority – which will limit higher-risk, interest-only lending to 30 per cent of all new residential mortgages and require strict controls on interest-only loans with deposits smaller than 20 per cent – are likely to pile pressure on the government to tackle generous tax breaks for property investors ahead of the May federal budget. It marks the latest escalation of a sector-wide clampdown on loose underwriting standards, THE AUSTRALIAN.

Tax Shelter

Well-off Australians are slashing their personal tax bills at a cost of billions of dollars a year to other taxpayers through the widening use of secretive family trusts. But while trusts are flourishing and the government is battling a big budget deficit, neither the Coalition nor Labor has tackled what critics describe as the 'sacred ground' of tax minimisation, THE AGE.

Cuts to Deductions

The **Turnbull** government wants to take a stab at reducing an estimated \$22 billion in tax deductions for work-related expenses each year, and may consider introducing a standard deduction for all taxpayers or doing away with certain deductions in favour of lower tax rates.

Treasurer **Scott Morrison** last year asked his department to look into a universal cap on income tax deductions that would apply to work-related expenses, as well as housing tax breaks including negative gearing and the capital gains tax concession, which he later ruled out changing. But it is believed there is still appetite for changes as soon as the May budget in relation to work deductions, which the tax man says are being over-claimed by millions of Australians, THE AGE

ATO to Have Teeth Against MNCs

The **Turnbull** government's 'Google tax' has been passed into law, arming the Australian Taxation Office with some of the world's strongest powers to fight multinational as it moves to recoup \$2 billion in revenue from some of the nation's biggest companies including Apple, BHP Billiton, Chevron and Crown, THE AGE.

ATO Overhaul

The company set to lead the **Turnbull** government's 'digital transformation' of Centrelink previously ran a botched \$800 million overhaul of the Australian Tax Office that delayed tax returns to 1 million Australians. Human Services Minister **Alan Tudge** announced management consultancy firm Accenture would transform the department's \$100 billion welfare payment system as the government looks to leave behind months of controversy over its automated debt recovery system, THE AGE.

RBA Blames Lax Lending Tax

Reserve Bank Governor **Philip Lowe** has intervened in the debate over tax in the lead-up to the budget, blaming tax arrangements for property investors and lax bank lending standards for the explosion in Melbourne and Sydney home prices, THE AGE.

Property Tax Breaks Need Attention

Tax breaks for property investors must be tackled if the nation is to safely navigate the property boom, says the head of the government's financial system inquiry. **David Murray**, a former chief executive of the Commonwealth Bank said that tax breaks such as negative gearing needed to be tackled to complement regulators efforts to cool the housing market. Another business lobby group, the Australian Institute of Company Directors, echoed the call saying negative gearing had led to 'distortions in the housing market', THE AGE.



CLIMATE CHANGE, ENVIRONMENT AND ENERGY

Energy Prices Costing Business

A 112-year old butchers' co-operative that directly employs more than 130 people in South Australia is facing financial ruin because of the state's soaring energy prices. As the **Weatherill** government celebrated achieving its 50 per cent renewable energy target almost eight years ahead of schedule, the food service business said it was the latest to face potential closure because of an 'energy mess' created by the government, THE AUSTRALIAN.

One of The Highest in OECD

Australia could save a lot of productivity pain if we took a few leaves out of America's energy policy manual. 'The US puts a national priority on policies which effectively safeguard low energy costs as a critical driver for the economy, but in Australia we've encouraged a cost blow-out' says **Warren Males**, economists with Australia's sugarcane industry body.

'While the US makes driving down energy costs a priority to promote economic growth and export competitiveness in manufacturing and agriculture, we've let poor planning and monopolistic energy companies run amok, and we pay the price. A decade ago Australia had some of the lowest electricity prices in the OECD. Today they're among the highest', *Stock and Land*.

50-Year Rule

A proposal to extend the life of some of Australia's coal-fired power stations with a new '50-year rule' is gaining traction within government ranks, amid fears that a rush to renewables will threaten electricity security. After the Coalition's decision to rule out an emissions intensity scheme, which puts a price on carbon in the electricity market to encourage investment in renewables, the government is warning to an alternative market signal that would put in place a 50-year rule for Australia's fleet of coal-fired power stations.

This would prevent the need for multiple closures of coal-fired generators in the Latrobe Valley, where emissions from brown coal are highest, while also ensuring the transition to higher renewables does not lead to instability in the grid. A new 50-year rule based on a coal-fired power station's 'end of technical life' would be coupled with a new national interest test three years before the scheduled shutdown to give the government the option of extending the plant's lifetime, *THE AUSTRALIAN*

Pollutant Control for Health Benefits

Coal-related pollutants continue to rise at many of the country's biggest mines, power plants and export facilities, prompting demands for stricter controls to limit health damage costing billions of dollars a year. The latest National Pollutant Inventory, released at the end of March, revealed the extent of 93 key toxins from 4000 enterprises, including particulates that can spur premature death by worsening existing heart and lung conditions, *THE AGE*.

Take Lessons From EU

The 'mess' of electricity systems in Europe with dramatically raised power prices and uncertain supply will occur in Australia unless plans to go it alone on carbon pricing or extend renewable energy targets face 'rigorous cost-benefit analysis', a new study has found.

According to **Robert Bryce**, a senior fellow of the conservative US Manhattan Institute think-tank and expert on European energy, European experience of emissions trading schemes and renewable energy targets to cut carbon emissions 'provides some readily discernable lessons', *THE AUSTRALIAN*

A True Story. Only Facts.

Premier **Jay Weatherill** committed South Australia to get most of its electricity from wind turbines. Time and again we see what happens 'when the wind don't blow'. Err, well, then 'the power don't flow'. Mostly, it hasn't been that obvious to the average South Australian – apart from continuously spiralling electricity prices – because of the long extension cord SA had got plugged into Victoria's steady and reliable coal-fired power stations in the Latrobe Valley.

But late last year the National Energy Market Operator pulled the plug, because it had to. SA was demanding just too much of the reliable coal-fired power ironically, because the wind was blowing too hard, and the SA turbines shut themselves off. Weatherill was complaining that the national market had 'let SA down' – because other states wouldn't keep enough extra real power generation, to make up for when the 'wind don't blow' in SA.

So SA is now going to purportedly – look after itself, by putting in some big batteries and building a 'gas peaker' power plant. SA will still be wanting to use the 'long extension cord.' Except once the Hazelwood plant in the Latrobe Valley closes – and takes out 20 per cent of Victoria's power generation capacity in one insane hit – there ain't going to be spare power at the end of that cord.

Even BHP Billiton's true climate change believer CEO **Andrew Mackenzie** won't trust its huge Olympic Dam to that unreliable and expensive electricity future. And where exactly is SA going to get its gas for the new power stations from? Weatherill didn't clarify, writes **Terry McCrann** for the *HERALD SUN*.

Overhaul of Energy Market Needed

The operator of the nation's energy market has warned that Australia's electricity market is out of date and needs to be overhauled as it faces another summer at the end of 2017 which brings with it the threat of power supply shortages as hot weather causes a spike in energy demand and overwhelms available supply.

The new chief of the energy markets, New Yorker **Audrey Zibelman**, made it clear her focus since she took on the job is to get through the next summer, in light of the threats to the national energy supplies that emerged last summer when there were successive warnings of low supplies in NSW and Victoria, along with widespread blackouts in South Australia, *THE AGE*.

Risk of Inconsistency

The head of one of the country's largest energy utilities has warned the nation's energy markets risk fracture amid the mounting 'uncertainty and inconsistency' of state-based energy targets. 'We're already grappling with uncertainty and inconsistency created by state-based renewable energy targets' said **Catherine Tanna**, chief executive of Energy Australia.

It also came in the wake of the closure of Victorian's large Hazelwood power station on Thursday, which had the nation's energy market operator AEMO prepared to force industry to shut down to keep the lights on, in a bid to avoid any market disruption. Closures were avoided as Victoria continued to export electricity into NSW while importing from Tasmania and South Australia.

Those trades shifted later in the day, with NSW selling into Victoria later in the afternoon as Victoria was also supplying Tasmania. Prices in the wholesale electricity market remained elevated, at more than \$100 a megawatt hour for most of the day, *THE AGE*.

In an amazing twist to the Australian east coast gas crisis, the giant ExxonMobil group believe that there is a huge reservoir of onshore, low-cost gas that solves the Melbourne and most of the Sydney shortages. And absolutely no fracking is required to extract it. But the Liberal Party has blocked the development.



AGRICULTURE, CATTLE AND WATER

Removing Constraints Not Feasible

It would be 'sheep madness' to think man-made environmental flood flows could be implemented without causing social and economic damage, according to Upper Goulburn River Catchment Association spokeswoman **Jan Beer**. Ms Beer, Yea, said it was impossible to remove the hundreds of constraints within the Murray River and its tributaries and achieve the flow targets, proposed by the Murray Darling Basin Authority, *STOCK AND LAND*

Water Ingenuity

Innovative approaches to improve farm irrigation efficiency are among nearly 100 projects – worth around \$35 million – funded through the latest round of the Farm Water program in the Goulburn Broken area. The projects, including solar-powered pumps to reduce energy costs and sprinklers that can adjust the amount of water applied to suit the soil type, are being rolled out in the Goulburn Broken Catchment Management Authority region, *STOCK AND LAND*

Oil-For-Wheat Scandal Concludes

More than a decade after the AWB oil-for-wheat scandal sparked two inquiries, including by the UN, and three civil actions, the affair ended with former chairman **Trevor Flugge** fined \$50,000. Victorian Supreme Court judge **Ross Robson** yesterday banned the 70-year-old for five years from managing corporations after finding the corporate regulator, the Australian Securities and Investments Commission, had proven Mr Flugge breached his duty as director by failing to inquire into the propriety of the payment of inland transportation fees in Iraq, *THE AUSTRALIAN*.

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Japan's Whaling Continues

Japan's whaling fleet has returned home after killing 333 whales in the Antarctic, achieving its goal for the second year under a revised research whaling program. The Fisheries Agency said the five-ship fleet finished its four-month expedition without major interference from anti-whaling activists, the HERALD SUN.

Sea Pollution

The threat of rising marine pollution has been discussed at a workshop of the G20 Group of nations for the first time. While Australia contributes a relatively small share of the world's marine plastic pollution, waters near the continent are among the areas where wildlife is suffering disproportionately, THE AGE.

Gas and cattle

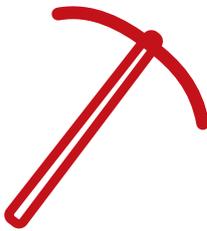
From whether pastoralism and gas can co-exist to gender equality at both a station and management level, some of the heavy hitters weighed in on key issues at an industry conference in Darwin, including the managing director of the Northern Territory's largest owner of pastoral land Australian Agricultural Company, **Jason Strong**. Gas and cattle could 'absolutely work together'. From AACo's perspective, the short answer is also the two simply have to work together, STOCK AND LAND.

Class Action Against Live Ban

The patriarch of the two million hectare Brett cattle empire says former Labor agriculture minister **Joe Ludwig** has 'a lot to answer for' given the devastation wrought by the 2011 live-cattle ban. **Colin Brett** is the lead litigant in an open class action seeking \$600 million in compensation for 400 complainants, whose properties cover about 30 per cent of Australia's landmass and who suffered losses as a result of the suspension order by Mr Ludwig. The Northern Territory-based Brett Cattle Company lost as much as \$4m because of the ban, THE AUSTRALIAN

Ag Commodities Up

Australia's agricultural production value is tipped to smash records and hit \$64 billion this year after the nation's biggest winter crop and phenomenal livestock values. And export earnings are ready to soar past \$48 billion into the record books. The record figures from the Australian Bureau of Agricultural and Resource Economics and Sciences March agricultural commodities report, paint a rosy future as agriculture's bumper year for most commodities continues, THE WEEKLY TIMES.



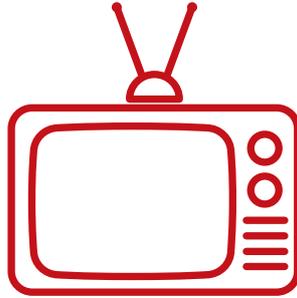
MINING

Resource Price Hike

Rising iron ore and coking coal prices are set to deliver the nation a \$23 billion export revenue windfall next financial year, according to the latest estimates from the Department of Industry. The higher price will boost state royalty takes, company income and federal tax takings, THE AUSTRALIAN.

Adani Demand for Water

The scale of water demand from Adani's giant coal mine in Queensland appears to be larger than expected, as the company seeks approval for a large, additional flood-harvesting dam. The company's proposed Carmichael coal mine in the Galilee Basin was controversially granted uncapped access to the groundwater in a licence that expires in 2077, THE AGE. **STOP PRESS** The Adani mine might not proceed, following very strong green and other community arguments, Often quite emotional.



MEDIA

ANU Newspaper Racial Stoush

When **Alex Joske** was elected late last year to the board of ANU student newspaper *Woroni* he felt he could steer *Woroni* towards solid news breaking and beyond what he saw as the editorial board's pre-occupation with gender politics, ethnicity, the nuances of being gay and tips from its sex correspondent.

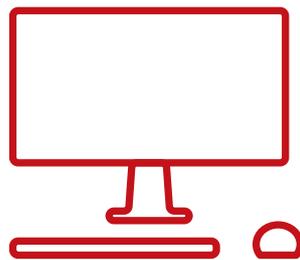
The last straw for Joske was when the editorial board commissioned a special issue to be written and edited only by 'ethnocultural self-identifying students', excluding any involvement of students who were white Anglo-Celts. The plans for a non-white ethnocultural issue has ignited debate on campus about ethnicity, free speech and alleged reverse discrimination, with some parallels with the storm raging in federal politics about the Coalition's attempt to change Section 18C of the Racial Discrimination Act, THE AUSTRALIAN.

Lambie Bio

Tasmanian Senator **Jacqui Lambie** is to be the subject of a book about her life next year. Publisher Allen and Unwin's 2017 publishing highlights terms it a memoir with the title *Jacqui Lambie*, the HERALD SUN.

Latham Sacked

Former Labor leader **Mark Latham** has been sacked as a Sky News commentator following outrage over his comments about the sexuality of a Sydney teenager. Latham was savaged by both sides of politics for speculating that a high school student involved in a video about International Women's Day was 'gay', THE AGE.

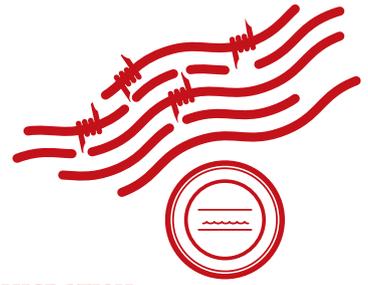


IT

Greater Tele Competition

Australia's mobile phone industry has a new player with TPG Telecom to build a \$1.9 billion

network, disrupting a market controlled by Telstra, Optus and Vodafone, THE AGE.



IMMIGRATION

Veteran's Reprieve

A 92-year-old war veteran who has been slated for deportation due to potential health costs has been granted a reprieve from Assistant Immigration Minister **Alex Hawke**, who has intervened in the case. Bureaucrats had determined **James Bradley** fell foul of a sub-sub-paragraph of the Migration Act, which can deny a visa if the applicant is deemed to pose a 'significant cost' to the health system.

Mr Bradley and his 91-year-old wife **Peggie** applied for permanent residency in 2007 but were caught in the lengthy queue of about 80,000 people. Mr Bradley's health has since deteriorated, THE AGE.



JUSTICE

Longest Royal Commission

As the Royal Commission into Institutional Responses to Child Sexual Abuse commences its final public hearing, chairman Justice **Peter McClellan** has urged child protection reform and proper redress for victims. The Inquiry is Australia's longest royal commission, starting in 2013 and due to finish in December.

Justice McClellan and five commissioners have heard the testimony of more than 650 child sexual abuse survivors in private sessions, with another 2000 people still awaiting a meeting. Data gleaned largely from private sessions found there were more than 4000 institutions where alleged abuse of children occurred. Just over one-third of survivors reported abuse in a government-managed institution, THE AGE.



HOUSING

Keating's Call on Housing Crisis

Former prime minister **Paul Keating** added his voice to those of industry and finance sector experts warning the **Turnbull** government



AS HOUSING BUBBLE PRESSURE BUILDS, THIS PILE OF BRICKS AND MUD WILL INCREASINGLY BECOME A RISKY MILLION DOLLAR INVESTMENT.

against allowing superannuation savings to be used for house purchases, branding the idea scandalous, ideological and designed to 'pull the backside out' of super. He has linked what he calls the 'policy bankrupt' of the idea with the Coalition's treatment of Medicare, calling the programs the two great community standards that the Liberal Party 'has done everything in its power to either thwart or destroy'.

In a savage assault on the housing affordability measure under consideration by Turnbull and Treasurer **Scott Morrison**, Mr Keating said it is a triple threat because it would drive up prices, would permanently gut retirement nest eggs for the under 40s and would compromise the optimal investment profiles of the super funds themselves. Financial systems inquiry head **David Murray** said 'There are many issues in the tax and superannuation systems, but to allow savings to be withdrawn to be used for other investments really defeats the purpose', THE AGE.



WELFARE

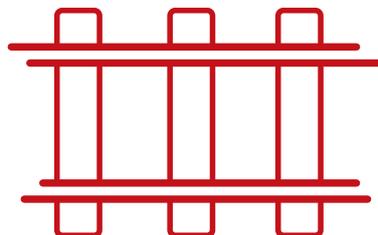
Data-Matching Issues

The federal Department of Human Services has hired accounting firm PricewaterhouseCoopers to conduct a 'comprehensive evaluation' of Centrelink's data-matching program after an

independent review found it was riddled with usability and transparency issues. The commonwealth Ombudsman's three-month investigation into the complex debt recovery system confirmed a pattern of poor communication between the department and welfare recipients, who were asked to explain discrepancies in their payments with 'unclear' letters that did not contain 'crucial' information, THE AUSTRALIAN.

Work-For-The-Dole to be Cut

The **Turnbull** government's powerful expenditure review committee has discussed axing one of **Tony Abbott's** first major policy achievements, the work-for-the-dole program. But a group of backbench MPs have lobbied Treasurer **Scott Morrison** as part of a rear-guard action to save it, with one describing work for the dole as 'red meat for the base' and warning that axing it would infuriate conservative supporters, THE AGE.



TRANSPORT

Idle Warning

Parents who park the car but leave the engine running while picking up and dropping off their children would be penalised under anti-idling laws proposed to cut harmful vehicle emissions. The call to crack down on idling near schools and childcare centres follows a **Turnbull** government discussion paper on improving Australia's air quality by switching to cleaner fuels.

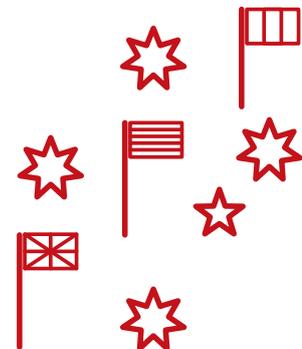
Health and energy experts have warned that increased traffic, combined with the modern preference for driving to school, risks exposing children to dangerously high levels of noxious chemicals, including sulphur and diesel particles, THE AGE.

Extra Screening

Passengers flying to Australia from the Middle East will face tough new screening measures as part of a security crackdown. Following similar measures introduced by the US and Britain, federal authorities revealed Qantas, Etihad, Emirates and Qatar Airways would be affected by additional screening protocols at airport boarding gates, THE AUSTRALIAN.

Criminals in Customs

Airport staff working in restricted areas despite holding convictions for serious crimes pose a major risk to passenger safety, a Senate inquiry has found. The Senate Transport Committee heard that as many as 20 per cent of airport staff with security clearances held criminal convictions for offences as serious as drug trafficking and assault. These staff, typically subcontractors for private companies, operated behind the customs barrier and had access to passengers' luggage, the inside of aircraft and other secure areas, THE AGE.



FOREIGN AFFAIRS

Aus-Sino Relations

It is now clear that the strife still unfolding between Australia and China has its origins in Beijing's nationwide campaign to shut down lawyers who take on human rights cases. The impact of the co-ordinated arrests almost two years ago of 286 lawyers and their colleagues, followed by their jailing for up to 12 years for 'state subversion', continues to send waves throughout China and the region.

These law firms represented cases ranging from farmers whose land was stolen by local officials to writers prosecuted for criticising long-dead communist 'heroes'. A few months before the arrests, President Xi Jinping said on the role of law that the Communist Party must ensure 'the handle of the knife is firmly in the hands of the party and the people'.

It's going to be more and more demanding for Canberra's policymakers, right up to the Prime Minister, to come to terms with a country that is a one-party authoritarian state, THE AUSTRALIAN.

Brexit Underway

British Prime Minister **Theresa May** has gathered her senior minister as Britain prepares for a 'pivotal moment' in its journey to a future outside the European Union. Mrs May has signed the letter that starts the formal exit process and the historic document will be hand delivered by a senior diplomat to EU chiefs in Brussels, THE AGE.

Turkish President Urges Baby Boom

Turkey's president **Recep Tayyip Erdogan** has called on his country's citizens in Europe to step up their rates of procreation and have five children each, saying a booming Turkish population would be the best answer to the European Union's 'vulgarism, antagonism and injustice', THE AGE.

Qualms About Extradition Treaty

Foreign Minister **Julie Bishop** and Justice Minister **Michael Keenan** have moved to quell a backbench revolt over a China-Australia extradition treaty. The federal government argues sufficient safeguards are in place and that the treaty would allow Australia to refuse extradition where a person could face the death penalty, torture, cruel treatment, or face political charges. The Law Council has consistently advised against ratifying the treaty because 'suspects cannot be assured a fair trial given the inadequate separation between Chinese courts and the Chinese government', THE AGE.

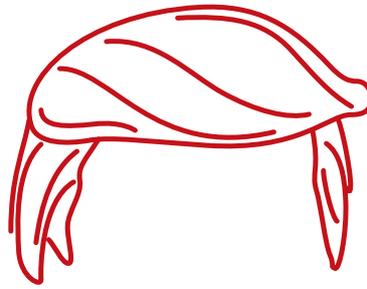
Aus-Sino Treaty Breakdown

A **Turnbull** government plan to quietly ratify the China-Australia extradition treaty has collapsed, with mounting opposition from the Coalition's backbench and Labor's decision to oppose the treaty causing the government to withdraw it from Parliament. 'It is in Australia's national interest to ensure that we can send back to China those that have committed crimes, subject to the significant safeguards we have in place'.

'I have faith in our legal and political system to ensure those safeguards would work' Foreign Minister **Julie Bishop** said. Ms Bishop said the treaty was important to facilitate counter-terrorism co-operation and tackling the drug trade. She said the treaty was linked to a prisoner transfer deal also struck in 2007. A Chinese foreign ministry spokeswoman said 'We believe early entry into force of this extradition treaty will provide institutional guarantees to combat transnational crimes. It serves the needs to both sides. We hope the Australian side can bear in mind the long-term development of bilateral relations', THE AGE.

Indian Student Boom

Prime Minister **Turnbull** flew into India to try to capitalise on Australia's fastest growing education market. The number of Indian students studying in Australia has more than tripled since 2011.



LETTER FROM AMERICA

Cold War 2.0

The relationship between the United States and Russia has plummeted to its lowest level in recent history and neither nation trusts the other, according to inflammatory statements from both **Donald Trump** and **Vladimir Putin**, the HERALD SUN.

US-North Korea Relations

Donald Trump has asked for military options to destroy North Korea's nuclear program as fears rise the rogue regime of **Kim Jung-un** is preparing a test within days to mark the 105th birthday of his grandfather and the nation's founding leader **Kim Il-sung**, THE AUSTRALIAN.

Aggressive Stance on NK

US Secretary of State **Rex Tillerson** has signalled that the **Trump** administration is prepared to scrap nearly a decade of policy towards North Korea in favour of a more aggressive effort to eliminate its nuclear weapons program, THE AGE.

US Drops MOAB

The United States has dropped the biggest non-nuclear bomb ever, on an Islamic State base in Afghanistan ramping up global concerns about how **President Trump** will react to another nuclear test by North Korea, the HERALD SUN.

US-Sino Relations

President **Donald Trump** has pressed Chinese President **Xi Jinping** to do more to curb North Korea's nuclear program and help reduce the gaping US trade deficit with Beijing, even as he toned down the strident anti-China rhetoric of his election campaign, THE AGE.



EDUCATION

Catholic Schools Declining

Catholic schools are in a year-on-year market share decline in all mainland states as the economic shake-out from the global financial crisis also impacts on the proportion of independent school enrolments in Queensland and Western Australia. The analysis of state-by-state enrolment figures for primary and secondary schools in the independent, Catholic and government sectors over the past five years shows the situation is most dire in South Australia, THE AUSTRALIAN

Call for More Home-Grown Engineers

Australia is failing to produce enough home-grown engineers and has an unbalanced workforce in the sector, carrying potential future risk, according to an industry report. The Engineers Australia state of the profession report shows that 70 per cent of new starters are born overseas. The numbers of boys studying advanced maths at senior high school dropped from 15.9 per cent in 2001 to 11.5 per cent in 2015 while girls studying intermediate maths dropped from 30.9 to 20.6 per cent, THE AGE.

Private v Public Funding Fight Continues

Here are two schools, from two sectors, two kilometres apart. They serve the same diverse community in Cranbourne and enrol students from similar backgrounds. But according to the latest data across Victoria, according to a new analysis released as hostility over the future of school funding deepens, THE AGE.

Hot Button Issue

Acrimony over school funding is threatening to again become a hot issue, with no sign of a post-2017 funding model. Federal and state education ministers have met despite not having a proposal to discuss. Education Minister **Simon Birmingham** has requested a further meeting with them in June, THE AGE.

Empowering job seekers and employers to reach their employment goals



WISE Employment is a not-for-profit organisation. We empower job seekers from diverse backgrounds to find meaningful work and become self-sufficient. We help employers to find the right staff.

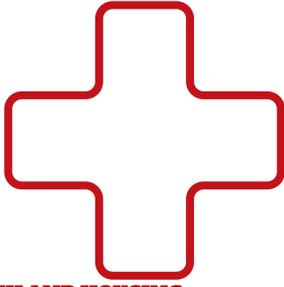
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HEALTH AND HOUSING

NDIS Costings Issue

The charity to be headed by **Julia Gillard** has declared the \$22 billion National Disability Insurance Scheme will fail the mentally ill and cost more than projected, in a direct rebuke of the design and costings of the program that has become the chief legacy of her Labor government. Beyondblue, in a submission to a parliamentary inquiry into the NDIS, has warned 'estimates suggest that current funding model will fail to provide care to all who need it'.

The submission from Beyondblue, which Ms Gillard will chair from July after having been a director for two years, threatens to embarrass Labor. Under her prime ministership, Labor insisted the scheme was fully paid for. The Gillard government raised the Medicare levy by a half a percentage point to pay for some of the NDIS before bundling a series of savings – from private health, retirement incomes and 'other long term services' – into a 10-year plan the government said fully funded the scheme.

Labor, however, double-counted some of the savings in an effort to deliver a surplus that never eventuated. The Gillard government's last-minute decision to include mental health in the NDIS has drawn criticism from mental health experts, including **Patrick McGorry**, who leads the youth mental health research body Orygen, and peak industry groups.

Beyond Blue, currently chaired by **Jeff Kennett**, and about to be replaced by former prime minister Julia Gillard, said estimated numbers for the NDIS have likely been undercooked, leading to a budget blowout because these people should be 'appropriately resourced'. Conservative estimates in the health sector put the blowout in cost to the NDIS at \$500 million a year because of the decision to include mental health, *THE AUSTRALIAN*.

Bout bloody time

A major review of the mental health services available to serving and former members of the military has produced some alarming findings, and raised questions about whether the recruitment process is deliberately lax to boost the number of 'boots on the ground'. The National Mental Health Commission review into suicide and self-harm prevention services available to Australia's defence forces, former members and their families revealed that while progress had been made, there was still more to be done to protect them – particularly once they left the service, *THE AGE*.

Healthy Diet is Good for Weaning Babies

Babies born to overweight or obese women, but who eat a healthy diet when they first start solid foods, can partially save themselves from the trajectory of poor learning and cognitive function they are programmed to follow. The findings from Monash University animal studies give hopeful options for improving dietary advice for breastfeeding mothers.

Previous studies have shown that children born to overweight and obese mothers are at higher risk of poor health later in life including heart disease, diabetes and impaired cognitive function, *THE HERALD SUN*.

Ageing Doctors

Many older doctors are hanging onto their stethoscopes, with more than a third aged over 55 either not sure about retiring, or not intending to, a new study has found. The research found that mental stimulation, a sense of purpose and being in good health were popular reasons why 398 doctors – out of 1018 doctors surveyed aged 55 or older – stated they either did not intend to retire, or were not sure about it, *THE AGE*.

Keating's Call on Housing Crisis

Former prime minister **Paul Keating** added his voice to those of industry and finance sector experts warning the **Turnbull** government against allowing superannuation savings to be used for house purchases, branding the idea scandalous, ideological and designed to 'pull the backside out' of super. He has linked what he calls the 'policy bankrupt' of the idea with the Coalition's treatment of Medicare, calling the programs the two great community standards that the Liberal Party 'has done everything in its power to either thwart or destroy'.

In a savage assault on the housing affordability measure under consideration by Turnbull and Treasurer **Scott Morrison**, Mr Keating said it is a triple threat because it would drive up prices, would permanently gut retirement nest eggs for the under 40s and would compromise the optimal investment profiles of the super funds themselves. Financial systems inquiry head **David Murray** said 'There are many issues in the tax and superannuation systems, but to allow savings to be withdrawn to be used for other investments really defeats the purpose', *THE AGE*.

Other good thoughts removing the disincentive for retirees to stay in their homes by quarantining some of their financial assets. At present the family home is excluded from the pension eligibility test but cash is not. Treasurer **Morrison** also is understood to be considering changing superannuation rules so first home-buyers' super savings may be used to help people on to the housing ladder earlier in life, *THE AGE*.

House Ownership Down

The federal government is spending \$6.8 billion each year to fix housing affordability for renters but the problem is getting worse, not better, says Treasurer **Scott Morrison**. And while the overall rate of home ownership in Australia fell from 71 per cent to 67 per cent between 2002 and 2014, young people are being hit hardest by soaring house prices and are being forced out of the housing market.

For those aged 25 to 34 in this period, home ownership rates fell by nearly 10 percentage points to less than 30 per cent. For those aged 35 to 44, the rate fell by more than 10 points to 52.4 per cent. In a scene-setting pre-budget speech, Mr Morrison has argued that Labor's proposal to pare back negative gearing tax breaks would not help people looking to buy their first home – and would drive up the cost of renting, *THE AGE*.

The detail

Columnist, and much more, Tony Walker wrote in *THE AGE* in April that real estate data collection agency CoreLogic produces numbers which show

the details of house prices in various city. We need to closely examine optimum distribution of population and immigration. Planning between the three tiers of government.



SPORTS

They Were Flying High

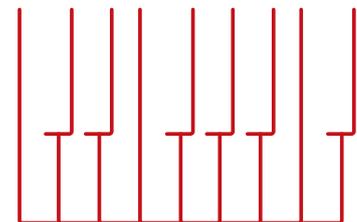
Sydney hardman **Barry Hall** has led a chorus of anger over the West Coast Eagles 2006 premiership triumph. The Swans 2005 premiership captain's team lost by a point to the Eagles in the 2006 Grand Final. The comments follow the unearthing of a secret report from retired Supreme Court judge **William Gillard** to the AFL, which concludes that Eagles leaders allowed a toxic culture to fester at the club, covering up years of abuse of illicit drugs.

"It was the worst-kept secret in the AFL' Hall said. Richmond legend **Kevin Bartlett** declared 'after reading judge Gillard's report, I'm taking away the asterisk and putting in a black line through that flag', *THE HERALD SUN*.

Warnocked Back

Ex-Blues footballer **Robert Warnock** was detained and locked up at a Los Angeles airport after trying to enter the United States. The former Carlton ruckman, 30, was being held behind bars at Los Angeles International Airport, and he was expected to be deported. He had arrived from Melbourne for a holiday. His father, John, suspected it was due to overzealous officials or to a visa problem, *THE HERALD SUN*. Your editor does not closely follow football, yet has not heard the result of this airport capture. Yet.

Australian cricketers have called up for my union heavyweight and federal labour MP Craig Conde to help them in their battle for a new pay deal Australian cricketers Association has brought in convey to advise on strategy and combat aggressive tactics from cricket Australia



ARTS

Brandis Arts Initiative Axed

The arts community has rejoiced at the **Turnbull** government's decision to axe a **George Brandis** initiative for 'excellence in the arts' and return the money to the Australian Council. The Brandis-era outfit, now known as Catalyst and dubbed a 'slush fund' by arts observers, allowed the minister and his department to hand-pick projects for government funding, *THE AGE*.

Mitch FiField is the current Minister for the Arts (and Communications).



SOCIETY

Hawke Brewing

Former prime minister **Bob Hawke** took up his post behind the bar and poured a schooner to launch the Hawke's Brewing Company, a new beer brand named in his honour. Mr Hawke, who swore off alcohol during his prime ministership, agreed to lend his name to the venture on the condition 100 per cent of his royalties were donated to **Landcare**, the initiative he started when prime minister in 1989, to aid environmental programs across Australia, *THE AUSTRALIAN*.

Culture of Intolerance

If you ever wondered what it means to live in an era of identity fascism, when any attempt at debating cultural issues is verboten, there is no more perfect example than the case of Coopers Brewery v the Rainbow Gestapo. That is what happened. Two Liberal MPs **Tim Wilson**, the former free speech warrior from the Institute of Public Affairs, and **Andrew Hastie**, the former SAS commando from WA appeared in a video debating opposite sides of same-sex marriage for the Bible Society.

No religious intolerance. No homophobia. No hate speech. Each man put his argument logically and in such a way that any reasonable person might think twice about their own positions. But the rainbow community whipped itself into such as an insane fury, it discredits its own advocacy, writes **Miranda Devine** for the *HERALD SUN*.

And now we have famous Australian/ tennis player being viciously challenged because she does not support gay marriage/marriage equality as per Qantas and its CEO. He has joined with the top people for many large Australian businesses to support marriage equality. Tennis Australia has distanced itself from Margaret Court after the great of the tennis game and now a Christian Pastor a publicly announced she would stop flying Qantas if possible, in protest at the airline's promotion of same sex marriage.

18C Divides Libs

A push to weaken Australia's race-hate laws has ignited tensions inside the **Turnbull** government

despite the changes having little chance of passing Parliament, with key Senate crossbenchers indicating they will block any major reform. The Liberal Party is bitterly divided over changes to section 18C. A fierce and long-running debate is expected to come to a head at party-room meeting in Canberra.

MPs who support dropping words from 18C, including the Institute of Public Affairs aligned **Tim Wilson** and Senator **James Paterson**, argue the change will strengthen freedom of speech in Australia. But Liberal moderates led by **Craig Laundy**, **David Coleman** and **Russell Broadbent** are fighting a rearguard action to stop big changes, fearing it will alienate ethnic communities – as it did under **Tony Abbott** in 2014 – and cost them votes and seats, *THE AGE*.

18C ...1

Now, suddenly, it is OK to 'offend, insult and humiliate' someone on the basis of their race, so long as this does not amount to 'harassment and intimidation'. Why? The Prime Minister justifies changing section 18C by citing the lawsuit against three Queensland of Technology students that should have been nipped in the bud, and a complaint against one of this country's pre-eminent cartoonists, the late **Bill Leak**, that was never going to succeed, writes **Michael Gordon** for *THE AGE*.

PM 18C...2

Prime Minister **Turnbull** has called ethnic and community leaders to try to contain a growing backlash against sweeping changes to Australia's race-hate laws, while terrorism experts have warned they could play into the hands of violent extremism. Turnbull said the laws had lost credibility and that fixing them would require the removal of legal prohibitions in people's right to 'offend, insult or humiliate', contained in section 18C of the Racial Discrimination Act, while making it illegal to 'harass' or 'intimidate' a person.

The proposed change to section 18 C is all but certain to be killed by the Senate with Labor, the Greens and the three Xenophon Senators having enough votes to kill it, *THE AGE*.

18C ...3

Contentious changes to the Racial Discrimination Act – which have bitterly divided the Federal Government for the past four years – were voted out by the Senate. The **Turnbull** Government's attempts to remove of the offences 'insult', 'humiliate' and 'offend' and replace them with 'harass' in section 18C of the Act were defeated by Labor, Greens and key crossbench senators, 31-28.

The commission will be given greater powers to filter complaints which are deemed to be frivolous or without merit and those who are

the subject of the complaint will get an early warning when one is lodged, the *HERALD SUN*.

Coalition Seats Want Marriage Equality

Voters in some of the most conservative seats in Australia overwhelmingly support legalising same-sex marriage in 2017, according to a decisive poll of a dozen Coalition seats. The ReachTel poll of 12 Coalition seats, commissioned by Australians for Equality, targeted Bowman, Brisbane, Cook, Fisher, Goldstein, Moncreiff, New England, Pearce, Petrie, Robertson, Swan and North Sydney.

It's findings are in line with a February ReachTel poll of seven Coalition seats. More than 50 per cent of voters in all 12 seats said 'yes' when asked if same-sex marriage couples should be allowed to marry, *THE AGE*.

Debbie Hits Queensland

Cyclone Debbie has left a trail of destruction across north Queensland, with properties damaged and people seriously injured. The category 4 cyclone brought gust of 260km/h, snapping large trees, shaking homes, shattering walls, destroying roofs, felling power lines and leaving more than 45,000 customers without power, *THE AGE*.

Debbie Causes Havoc in NSW

The remnants of ex-tropical Cyclone Debbie have lash south-east Queensland and northern NSW, causing serious flash flooding, shutting more than 2000 schools and nearly 800 childcare centres. Residents in northern NSW were ordered to evacuate ahead of major flooding, as the aftermath of the cyclone joined with a cold front, *THE AGE*.

Debbie Could Hurt Tourism

Tourism operators in cyclone-hit coastal Queensland towns are bracing for a multi-million dollar clean-up, but fear overblown reporting that frightens off visitors could inflict more damage than the cyclone itself, *THE AGE*.



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