

The Big Picture

Issue 40
16th May 2009

"News to use & amuse"

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www.abetteraustralia.com

We choose waste again

It's possible that the ALP has no in-depth organisational expertise to enable it to get useful work done. Its background is rooted in reactionary battles rather than learning how to design and make things work efficiently and effectively from scratch.

Around Australia ALP governments appear to be operating a 'cargo cult' model of shifting bundles of taxpayer's cash to the private sector and building ponderous bureaucracies but not able to get anything useful done themselves.

Now receipts are down, the federal government has decided to borrow from our future. While some borrowing may be necessary, the most straight forward answer is to cut the cost of government itself.

First choice for Access Economics is to eliminate valued services to taxpayers.

GETTING the budget back into surplus will be not merely "tough", as the Treasurer said yesterday, it will be almost impossible, in the view of Access Economics.

An alternative would be to abolish the age pension rather than raise it, or to abolish the unemployment benefit and the disability pension.

Access Director Chris Richardson said another cut that would almost do the trick would be to abolish Medicare and hospital funding. [TheAge](#)

Are they asleep? What about cutting government waste and useless bureaucracy? Why not assure that government is 'right sized' before considering dropping critical services?

In [Stock & Land](#) Michael Pascoe reports...

...the rural management investment scheme (MIS) industry...it's the biggest single scam in Australian financial history, probably losing more money than HIH and Bond combined.

How much has been blown? A lot. There's a number floating around that we taxpayers have dropped \$4.6 billion on rural MIS this decade - our little donation to the promoters, marketeers and mug punters.

Hmmm. Might that be an opportunity to make savings as well as stop forcing farmers off the land by giving taxpayer support to competing 'boom and bust' land uses? Gunns has racked up around 150,000 ha of land via MIS schemes, which taxpayers pay around \$3,200 per ha, making around \$480 million we paid to shift ownership of land from small families to Gunns. We might usefully ask - 'was that really a good investment compared to improving our health system or our schools?'

Or what about the revealing paragraph from The [Australian](#)...

The NSW Government racks up an annual wages bill of \$23 billion for its bureaucracy, which exceeds 370,000 people, with more than 60 per cent involved in the areas of health and education policy.

60% in health and transport policy?? Both health and transport in NSW are complete disasters. Perhaps this number of bureaucrats is the cause, like having 70 people in the kitchen 'helping' you to cook. In NSW that's near ¼ million bureaucrats costing nearly \$14 billion per year!! Is that an opportunity to balance the budget? Could we make savings there perhaps?

Maybe if we cut transport and health policy down to say, ooh, 20,000 people we could save at least \$10 bn. And that's just NSW! You can bet the other states offer similar opportunities.

In an article about bush fire rebuilds the [Telegraph](#) acknowledges another way that governments increase our costs..

Victims who are building again on the same site will be able to gain approval over the counter instead of going through the usual costly and time-consuming process.

The Tasmanian concept?

Mr Bartlett confirmed yesterday he was scrapping the Environment Department to save between \$2.1 million and \$4.8 million a year. [Mercury](#)

Before closing departments that help generate real revenues for tourism and other businesses, a savvy operator would take steps to stop massive loss making efforts like Forestry Tasmania (\$55 million lost last year). Or cut Ministerial minders that cost \$9 million per year. By contrast, in [Victoria](#) the 'spin doctor' budget has quadrupled in the last 8 years but is still only reported at around \$1.65 million.

The Tasmanian government accepts huge losses to help favoured 'sustainable' industries like forestry, and foregoes revenues from that industry while providing valued public resources such as water (free for plantation use, [subsidised by farmers](#) for pulp mill), road and bridge repairs (charged to local governments), cost of trees (at least \$20 per tonne below market prices) and so on – a value [totalling](#) over \$80 million per year.

Yes, there are structural difficulties with eliminating the burden of 3 levels of government. So what? An effective leader would describe the problem, the opportunities and the solution to the people and elicit their support in making the change. It's call 'leadership' and one method is called a 'referendum', another is called an election.

Now that receipts are down governments will show their true colours. Reduce government waste or reduce services?

Let's hope that the likes of Access Economics don't make the decisions.

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In case you missed it

Financial mess

Access Economics suggests shutting down Medicare [TheAge](#)
Plan to raid super funds for government projects [TheAustralian](#)

Governance & spin

Plumbing the dizzy depths of spin [HeraldSun](#)
Asleep at the wheel [TheAustralian](#)
Seniors MPs immune from super changes [HeraldSun](#)
Qld fluoride dose triggers alarm [TheAustralian](#)
Afghanistan war spending to double [TheAustralian](#)
Detainee deceived to send daughter back to Iran [SMH](#)
Melbourne won't waive rates for homeless [TheAge](#)
Digger in Afghanistan told to buy own insurance [CourierMail](#)

Forestry/Food/Agriculture

Gunns mill approval 'invalid' [TheAustralian](#)
Rural research a top priority [TheAustralian](#)

Climate/water/energy

Carbon caputre to save industry [TheAustralian](#)

Health/education revolution/communication/defence

Many first home buyers can't meet payments [Telegraph](#)
PhD students kept dirt poor in Australia [TheAge](#)
Broadband advisers collect \$700,000 [TheAustralian](#)
Fluoride overdose a triple failure [TheAustralian](#)
Toxic time bomb in Sydney main river [SMH](#)
Long term health problems for many [Mercury](#)

Economy/social/shelter/transport

CSA mappers predicted firestorm path [TheAge](#)
Telstra diverted fire storm callers to Centrelink [CourierMail](#)
Fire siren not used so people weren't desensitised [CourierMail](#)

World

Worst yet to come in US [YahooFinance](#)
'End war on drugs' White House [WallStJournal](#)
MPs' rorts turn Brits against polities [TheAge](#)

Editor's comments

Being up front, I'm not really into global conspiracy theories, mainly because I don't think anyone has the competence to carry them out. Of course, that doesn't mean that we aren't being manipulated by powerful groups though.

Given the almost complete lack of any vision, planning skills or ability to get things done in the real world, it's no great surprise that giant multinationals can get their wet dreams fulfilled by delivering 'complete packages' to government.

Recently we've seen the inordinate influence of the international pulp and paper industry, via Poyry's push to get billions of dollars from Tasmania by selling a pulp mill to Gunns. This started with Poyry's consulting arm recommending massive tree plantations to governments in the '90s. They offered the whole plan, which included funding by 'investors' attracted by tax breaks for growing trees. They also sweetened the pot for political parties to gain support from both Labor and Liberal.

The result is a loss of billions of tax dollars, a glut of near worthless trees, massive social divisions in Tasmania between the community and pro-forestry/subsidy groups, countless investors losing their money, and MIS businesses like TimberCorp and Great Southern hurtling into bankruptcy.

Still, there's hope for Poyry yet now that the federal government has approved 35 million hectares of trees to be grown as a carbon sink, while simultaneously allowing the trees to be pulped and regrown. Hard to believe but true.

This week, Brenda Rosser gave me some new clues about the situation in Tasmania. Her article appears below.

When Tas Premier Bartlett announced his 'food bowl' concept for Tasmania's depleted midlands, he authorised piping water from the North, where the current food bowl operates in the good soils there. He also said that his government would loan farmers the money to access the water, suddenly becoming a bank.

Why a loan to enable people to grow food when everything else (e.g. forestry, roads, ports etc) operates by paying with taxpayer's money? Isn't that the point of taxes?

On reading Brenda's article, it appears entirely possible that young Bartlett, operating in true ALP tradition, is buying a 'complete package' from industry. Which industry? The water industry – that is those cashed up organisations that are prepared to buy essentials from docile governments and sell them back to us at inflated prices.

And just when we thought it might be safe, out pops this little gem...

THE Rudd Government plans to tap Australia's \$1 trillion pool of superannuation savings to help plug a \$58 billion hole in its nation-building program. [TheAustralian](#)

Oh really?

Government forces workers into private superannuation so that when the market drops everyone takes a major fall. Then, having used up to 60% of GDP themselves on 3 levels of wasteful, slow and inept services, governments now want to pillage the remainder of the workforce's savings to do the work that they should have already done with taxpayers money that instead they've spent on themselves.

Responsible government is one way to a better Australia.

Over-subsidised, Over-paid and Over here

Brenda Rosser. 13th May 2009

A former **Central Intelligence Agency** economic analyst has helped to set up a Cayman Island registered partnership to take advantage of what is referred to by the directors and partners as "climate related market drivers" and "vigorous demand" for water in Australia.

Matt Dickerson is a former international economic analyst at the CIA. He is now Summit Global Management's CEO, portfolio manager and chief marketing officer. Summit has a \$500 million dollar water-purchasing strategy for Australia which is to buy water entitlements from farmers hit by prolonged drought and then sell the water back to them. Where this half a billion dollar purchasing fund is coming from is anyone's guess. "We're not ready to publicise anything....It's a private fund" says the chairman of Summit's registered company in Australia. [1]

When I think CIA I tend to think of Henry Kissinger who was the trusted aid of Nelson Rockefeller. It so happens that a related Robert Rockefeller (President of the Property Council of Australia) has been heavily involved in pushing for water market reform in Tasmania for the past decade. The latter Rockefeller has successfully persuaded the State Government to seize the water assets of my local municipality without providing adequate compensation for the ongoing loss of revenue that this action entails.

When I think of Henry Kissinger I think of his close admirer - the Prime Minister of Australia, Mr Kevin Rudd. Mr Rudd has a habit of flying over to Washington on a regular basis and having "productive talks" with Mr Kissinger [2].

How strange. An Australian Labor Prime Minister meets regularly with the man who was head of an organisation responsible for overseeing the CIA. When the CIA was, in turn, involved in a coup against a former Labor Government here when that administration tried to avoid the Wall Street banking cartel and attempted to fund a national energy industry. [3]

Speaking of coups, this must be one for the creation of a perfect neoliberal 'market'. Captured buyers - we all have to consume the stuff - and there's no substitute product available. "*The absence of alternatives clears the mind marvelously*", as Kissinger has said.

The price of this water is indexed to inflation. It seems to me that there's nothing like water scarcity and water charges (the latter being a tax on food producers) to cause a general rise in prices within the economy. Higher prices → higher water charges → higher prices → higher water charges. And round and round it goes.

In today's new market there is no need for 'entrepreneurs' to produce anything. Nifty ways of generating revenue are found for the lucky few who have money today (the recipients of taxpayer-funded bailouts?)

Well, what can one expect these days. After all, quoting Henry K again: "*foreign policy is not missionary work.*"

[1] Graham Dooley, Chairman of the Adelaide registered 'Summit Water Holdings' which is a subsidiary of Summit Water Development (part of Summit Global Management Incorporated). As per the article: 'US enters Aussie Market - Yanks Raid Water'. Weekly Times, 1st April 2009. Pages 1,4, 15, 16.

[2] Kevin Rudd and Henry Kissinger in 'productive' talks Article from: Herald Su

<http://www.news.com.au/heraldsun/story/0,21985,24403752-661,00.html>

And Rudd met Kissinger again in last week of March this year.

[3] A Coup in Australia and the CIA Brenda Rosser. Saturday, July 5, 2008

<http://econospeak.blogspot.com/2008/07/coup-in-australia-and-cia.html>

A conversation with the US ambassador - Brenda Rosser. Wednesday, April 15, 2009

<http://econospeak.blogspot.com/2009/04/conversation-with-us-ambassador.html>