

The Big Picture

Issue 42
30th May 2009

“News to use & amuse”



Editor: Mike Bolan

www.abetteraustralia.com

Let's kill the goose!

One of the functions of leadership is to epitomise a set of coherent principles that, when used, help the group to both survive and succeed at their endeavours.

Australian ALP governments are exhibiting a pattern of common symptoms which include wasteful operations, excessive reliance on bureaucracy, making decisions 'politically' when scientific evidence points in a different direction, relying on increased charges instead of making government efficient, hiring mates and managing by dogma rather than evidence.

Notable symptoms reported this week include...

THE NSW Government will continue to fit out public schools with gas heaters that have failed World Health Organisation tests.

The unflued gas heaters, which emit carbon monoxide, nitrous dioxide, carbon dioxide and formaldehyde fumes, can only be used safely if classroom windows and doors are left open. [Telegraph](#)

Readers would be forgiven for asking 'how can it have come to this?' Here we are paying high rates of taxation and charges so that we can provide heaters in schools that require the doors and windows to be left open? What is this teaching our children? How is it possible for any organisation to produce a result like this with our money? Where is the leadership?

And a very important question 'What principles are our governments working to?'

Let's look for a moment at how governments use our money. One simple case this week was reported as follows...

NINE councils in NSW have blown more than \$24 million gambling on the fortunes of Icelandic banks that collapsed - and residents could end up paying the price through higher rates or reduced services.

Before the Nordic nation's financial meltdown in 2007-08, NSW councils bought complex investments called CDOs (collateralised debt obligations) on the promise of marginally higher returns than for ordinary, less risky deposits.

[Telegraph](#)

Governments taking needless risks with ratepayers' money.

But across all types of CDO products held by NSW's 152 councils, losses could have surpassed \$500 million. Worst hit have been Parkes in the Central West and Wingecarribee in the Southern Highlands.

Who loses? The ratepayers! Who has to find the money again and pass it onto those who have already demonstrated that they cannot be trusted? The ratepayers!

These are not isolated instances. They are symptoms of governments that are not acting from trusted and consistent principles. For example the entire Murray Darling has been put at risk because governments failed to attend to a simple principle - make sure that you've got it before you give it away or sell it.

No water audits – just guesswork. Result - catastrophic failure.

A self evident principle of viability is that we need to assure that we have the capacity to produce the resources that we need. In the case of taxation, the best way to collect more tax is to increase the capacity of the citizens to produce value so that they have more money to pay as tax. No tax increases are required, just increases in our capacity to produce value.

This frequently appears to be the reverse of the governments' actual actions. In order to help Australia to develop, it's reasonable that governments would use our money to help us all to increase our productive capacities. While this may happen in part due to the debt incurred for 'nation building infrastructure', government is still failing to focus on increasing our productive capacities, instead putting them at risk.

In a case reported this week...

Unions could forget any mandated "buy Australia" position. "The Government remains committed to non-discriminatory procurement policies," Mr Tanner said yesterday. [TheAge](#)

In this case, governments want to continue to buy from the cheapest source which is often overseas, yet is our own governments that create higher costs for Australian companies.

- 1) Costs in Australia are higher because government mandated regulatory, work conditions, taxation and other costs are much higher in Australia than overseas.
- 2) Australian companies pay higher taxes than overseas companies based here and so subsidise their competitors

Since Australian governments control over 50% of Australia's GDP in a variety of ways, when they refuse to buy from local companies they are closing the major source of income from those companies.

The government position is to make Australian business costs uncompetitive through regulation, employment and tax systems while closing off their major source of business – government - to protect abstract pricing and 'free trade' concerns.

Cutting the income of Australian companies by making it impossible for them to do business with government reduces the tax base and imposes a higher cost load on the rest of us.

One answer is to apply a weighting to Australian tenders to make allowance for an Australian company's contribution to our economy...but no...we've decided to kill the goose.

In this issue

Let's kill the goose!.....	1
That was the week that was.....	2
Tasmanian democracy dismantled.....	2
ETS is a colossal failure.....	3
Putting The Bore In Labor.....	4
Media release.....	5

That was the week that was

Financial mess

Rethinking the global money supply [ScientificAmerican](#)

Its what you do with debt that matters [TheAge](#)

New boom in risky derivatives [HeraldSun](#)

Old formulae don't fit today: Stone [TheAustralian](#)

Tasmania leads in bankruptcies [Mercury](#)

Governance & spin

Govt to veto 'buy Australia' push [TheAge](#)

WA figures cast doubt on federal budget [TheWest](#)

Victoria is now a 'dirty' state: Bailleau [TheAge](#)

Vic hits farmers \$95,000 ha land tax on sale [WeeklyTimesNow](#)

Voters wary of same old Labor [Australian](#)

NSW suburbs hit with land tax increases [SMH](#)

NSW Councils lose millions in Iceland [Telegraph](#)

Wealthy can claim bonus payments 6 times [HeraldSun](#)

No longer scared of Gough Whitlam [Telegraph](#)

Political debate degenerates [TheAge](#)

Age will weary Rudd & spin condemn him [TheAustralian](#)

!?! You'd miss your state government: Gallup [SMH](#)

Loss of planning powers ires NSW Councils [SMH](#)

\$40 m to stimulate the dead [HeraldSun](#)

City Rail bosses get raises as staff sacked, services cut [Telegraph](#)

Hard up councils charge like wounded bulls [SMH](#)

Rudd steers Aborigines back to a closed welfare state [SMH](#)

Cataract rebate cut hurts the weak [Telegraph](#)

Forestry/Food/Agriculture

Declared Vic forests turn out to be paddocks [TheAge](#)

Climate/water/energy/environment

Climate must stay below 2 deg rise say scientists [TimesOnLine](#)

Time to lead on climate [TheAge](#)

Grim days ahead for Murray [Farmonline](#)

Garrett betrays the whales [Telegraph](#)

ETS a colossal failure [Crikey](#)

Phantom water buyback triggers new states row [TheAustralian](#)

Fire bureaucrats duck for cover from heat [Australian](#)

Health/education revolution/communication/defence

Dangerous class heaters only safe if doors/windows open [SMH](#)

Debts ravage NSW hospital services [SMH](#)

Economy/social/shelter/transport

Camps of despair in the Alice [TheAge](#)

Sydney's working families made homeless [Telegraph](#)

Tasmanian democracy dismantled

By Bob Loone Deputy Mayor, Meander Council, Tasmania
Silencing the voice of the people. bob@loone.id.au

This may come as a complete surprise to some, however many people are starting to realise that the Tasmanian state government is waging an insidious and multi-pronged attack on what's left of our democracy. They are imposing a range of new systems and powerful authorities where decisions are made in committee and avoid any requirement to consider natural justice, community input, and public consultation. These actions effectively silence the voice of the people.

In brief, our State Government is imposing:

(1) **Water and sewerage** ultimatum forced on councils to transfer our community owned assets to an expensive bureaucratic monopolistic empire not accountable to ratepayers or the community as councils are. If councils raised the price of water and sewerage 30% councillors would be unseated but when a highly paid, unaccountable water authority does we are powerless. Community Input or Consultation Not Required

(2) A **Tasmanian Planning Committee** can make in-house decisions on virtually any planning matter it sees fit regardless of the welfare of the public on how much suffering their decisions cause. The minister of the day can become involved which would change it from a planning decision to a political decision. They over-ride all planning schemes, are not accountable to the people and democratic principles are abandoned. Community Input or Consultation Not Required .

(3) **Three Regional Planning Schemes** are required by the state government. Essentially they are copies of the government's Model Planning Scheme. No community input or consultation is required. The Regional schemes will eventually replace the present council planning schemes. Again the people are powerless to influence the imposed laws that govern their lives.

(4) **Compulsory Voting at council elections** is a plan to promote party politics in councils. They are banking on getting mainly party votes from those who didn't vote in the past usually because they don't know enough about the candidates.

(5) **Revised PAL policy** that guarantees unlimited fettering and loss of our farms and local land ownership in favour of forestry plantations. This policy has pushed local families off their land and in at least two cases out of their homes. Public input was called for but they had decided in advance to continue to favour unlimited forestry plantations rather than to primarily support agricultural production, the economy, jobs, sustainability, health and development potential. Calling for submissions has really only been a pretence to deceive the people.

(6) **Council Amalgamations.** The stripping away of the responsibilities and autonomy of councils and constant council bashing promoted by the government makes amalgamations inevitable. Any amalgamations must be fair to ratepayers, viable and sustainable. We must not allow a few wealthy councils to join together leaving the not so wealthy ones (areas) to wither and struggle.

The sustained criticism and bullying of councils by the State government is to soften up the public and divert attention while it installs unaccountable authorities that largely replace councils. They will then deny communities and ratepayers of their democratic rights of any input or say in decision making processes or of any rights of objection or appeal.

ETS is a colossal failure

WEDNESDAY 27 MAY 2009

©Anberra correspondent Bernard Keane writes in [Crikey](#)

There are three possible outcomes for the Government's ETS bill.

1) One is that it gets "deferred" i.e. rejected in a few weeks' time, but when it comes to the crunch later in the year, enough Liberals are worried about the threat of an election to change their minds and vote it. We end up with an ETS that will create more carbon emissions than it saves in the vast paper chase it generates.

2) The second is the bill gets rejected twice, and the Prime Minister decides to not make the serious but non-fatal mistake his predecessors John Howard and Bob Hawke made, and go to an early election. There's no ETS, good, bad or indifferent, and every time anyone complains that Australia is doing nothing about climate change, the Government points at the Coalition and says "that's their fault".

3) Or third, the Prime Minister decides he'd prefer to fight an election late this year against Malcolm Turnbull, with the Government's public works program in every school in the country fresh in voters' minds and before unemployment peaks, rather than late next year, probably against Peter Costello, when the economic outlook might be better or might be a lot worse and voters have forgotten why their new school hall was built. And we end up with a dud ETS after the post-election joint sitting.

I've ranked those outcomes in order of probability. A double dissolution election needs the Government to raise the political temperature to near-crisis point so voters get the impression there's a genuine reason for an election. Most voters would only be barely aware of what the Coalition's position is after yesterday's announcement. The Government needs it to be front-page stuff, day in and day out.

In truth, though, any of those outcomes represents a failure of our governing class. And there's plenty of blame to go around.

The Government has never taken climate change seriously enough to invest political capital in it. It could have followed its "moral challenge" rhetoric and tried to engage the Opposition in a genuinely bipartisan approach to addressing the issue. Instead, it saw it primarily as a weapon to use against its political opponents. The Prime Minister gave carriage of the issue to an over-promoted minister with no negotiating skills, and kept tight control of the process. The Government comprehensively botched its handling of the details of its ETS, starting off with a poor scheme that has been compromised to the point of ineffectuality in subsequent negotiations. And it has been cowed by the likes of Mitch Hooke and Don Voelte when, as its NBN experience should have told it, big companies can be brought to heel by a ruthless display of executive power.

The Coalition, which ignored the issue for a decade in office, is equally culpable, with the sceptics, agrarian socialists and the plain bloody-minded allowed to shape policy, stalling and possibly preventing the passage of even the Government's hopelessly ineffective scheme.

In the middle are Steve Fielding, a man hopelessly out of his depth, and Nick Xenophon, for whom climate change or any other issue is less important than his own ego and passion for the

limelight.

Only the Greens have clean hands in this debacle.

Yesterday Malcolm Turnbull called for the Productivity Commission to consider the proposed ETS, as part of his litany of reasons for further delay. Um, Malcolm, the PC has already looked at the CPRS in its new industry assistance [review](#). And its judgement is pretty harsh—but not for the reasons you'd like.

The PC says this about assistance for trade-exposed industries under the CPRS (it looked at the White Paper version, not the even more generous recent version):

Identifying activities that may contract, shut-down or shift offshore following the introduction of a domestic constraint is not sufficient. The test for carbon leakage is whether these shifts would still have occurred even if other countries effectively constrained their carbon usage. The difficulty in forming these judgements make it likely that any policy response will at times fail to protect against carbon leakage and also at times provide assistance where no carbon leakage would have otherwise occurred.

The PC goes on to say:

Direct budgetary assistance requires governments to raise revenue from taxes that will generally impose broader distortions and consequent welfare losses. Likewise concessions to revenue raising measures (such as the allocation of carbon permits without levying the permit price) potentially not only distort the allocation of economic resources, but also impose a cost reflected by the forgone revenue and opportunity to reduce distortive taxes. These "opportunity costs" are substantial in the case of Australia's proposed CPRS, given the significant value of the free permit allocations, other tax concession and outlays proposed...

Further:

Policies that protect against carbon leakage ... transfer the abatement task to other sectors of the economy.

In short, the assistance provided by the CPRS has a poor rationale, has a substantial cost and makes things more difficult for everyone else. And that was for the White Paper version. Greg Combet thinks this is a big tick in the CPRS favour.

Just how skewed this debate is was shown yesterday when Malcolm Turnbull in effect argued that we should delay and reconsider an ETS because the Americans were planning a scheme that provided even more assistance to some of their industries than the CPRS. In essence, because the Americans are considering being even more protectionist than us, we should match them.

If Turnbull had used this argument to call for a delay in other forms of protectionism — the reduction of automotive tariffs next year, say, or for an official Buy Australian policy, or keeping foreign firms out, he would have been howled down by every economic commentator in the country. But carbon protectionism is so deeply embedded in Australian political culture that the argument went unchallenged.

Funny thing is, that's the good news. The bad news is, the only way climate change will be slowed is if the rest of the world takes action, and if you thought our politicians were self-interested, wait til you see what the rest of the world's are like. Too bad Australia will be among the first and worst casualties of climate change.

Putting The Bore In Labor

By Ben Pobjie 29 May 2009 © [NewMatilda](#)



Politics, they say, is war by other means. This is in many respects true; it's just a shame they are such boring means. Unlike war, which is exciting and colourful and extremely manly, politics is drab and soggy and enjoyed by Young Liberals. Anyone who, out of a sense of civic duty or near-suicidal masochism, has been following the political discourse of recent years will have noticed that, far from the thrilling cut-and-thrust of incisive public debate illuminating the gripping theatre of representative democracy in action, it has been more akin to watching a group of clinically depressed accountants have a pillow fight.

It doesn't have to be this way, you know. In other countries, politics is regarded as entertainment, an art form, and in many cases, a contact sport. Take Italy, for example, a nation which was engaging in political intrigue thousands of years ago, back when Australia was a barren, featureless wasteland filled with poisonous snakes and dangerous marsupials and Aborigines who sat around all day moaning about their crippling lack of uranium mines.

In Italy, the Prime Minister is [Silvio Berlusconi](#), a man who parlayed his ownership of most of Italy's media, banking and advertising industries into an against-the-odds political career, and then parlayed his political career into sex with a lot of attractive young women and a level of mental illness that steers a shrewd course on just the right side of entertaining. To sum up Silvio Berlusconi, it perhaps would be best to imagine that Rupert Murdoch and Hugh Hefner had a baby, which then joined the Mafia and started making funny jokes about Nazis.

Now, imagine if we had a prime minister like that. Imagine if every day when we opened the paper, we found out that Jennifer Hawkins had been appointed Communications Minister, or that the Government planned a bridge to Tasmania. Wouldn't life take on a bracing, invigorating quality? Instead, what do we get? Three hundred articles about whether Kevin Rudd is willing to say the word "billion".

Well, isn't that just the most riveting development to hit Australian politics since Nick Minchin missed a belt loop. They'll be making a telemovie any day about that, won't they? Craig McLachlan as Kevin Rudd and Val Lehman as Wayne Swan in the harrowing tale of two men struggling against society's oppressive demands that they say certain words when those words are appropriate to the situation being described in the sentence or paragraph under examination. *Brokeback Mountain* for the Treasury crowd.

You may laugh now, but if Australian politics gets any more boring, people may start resorting to watching [actual Australian movies](#). And that's a horrible thought for us all.

I mean, just look at the politicians we have on hand. There's Rudd, of course, who sold his personality to the Devil in exchange for blistering linguistic skills. There's Swan, who seems to spend every interview restraining the urge to apologise for existing. There's Turnbull, who is starting to exhibit symptoms of battered wife syndrome at the hands of his own party. There's whoever is leader of the Nationals at the moment, who is presumably standing in a wheat field somewhere whining about the drought. There's Bob Brown, who is a gay environmentalist but nowhere near as interesting as that sounds.

Why is there no Australian version of, say, [Hugo Chavez of Venezuela](#), who not only had the guts to stand up to George W Bush, but on several occasions actually engaged him in a knife-fight? Come to think of it, why is there no Australian version of Dubya, with his folksy ways and endearing intermittent aphasia?

Or his deputy, Dick Cheney, who has surged back into the public eye in the last week by challenging President Barack Obama's views on torture. After Obama declared himself to be anti-torture, Cheney came straight out and declared himself to be *pro*-torture, demonstrating his strong view by waterboarding a puppy live on air.

Why can't Australia have more political debates like this? Instead of debating whether we should be borrowing money to fund vital infrastructure, why can't we debate whether we should be breaking bad guys' pinkie fingers? Why doesn't Julia Gillard ever go out and ["accidentally" shoot people](#)?

Let's look some more at America as an illustration of the point. Their president is black! *Black!* That is so cool! Australia is never as cool as that. Our head of state is the Queen, and she's not only white, she's been dead for 30 years. The closest we get to being cool is electing Peter Garrett, and we only did that after he promised to shut up and start sending picnic hampers to uranium miners.

The real problem is that I fear that if our politics doesn't get more interesting soon, our youngsters will lose interest in pursuing political careers. If you were a vibrant young thing nowadays, watching Question Time, would you really want to enter that stultifying world of Dorothy Dixers and Senate Estimates?

Do you really think, as our children watch Wayne Swan do that thing where he repeats the same phrase three times before continuing his sentence in a sad parody of oratory, that they will think, "Yes! Canberra here I come!" When there is so much money and acclaim to be made in other fields, like dance music, professional boxing, and pornography, why would anyone want to wilfully send themselves into that state of living death, that decades-long waking coma called politics? They just won't. Pretty soon we'll have nobody to contest our elections, nobody to fill our seats, and we'll have to hand the entire government over to Google to avoid losing our baby bonuses.

I don't know whether I'm just a foolish dreamer, I don't know whether this ennui can be reversed — maybe we're too far gone for a simple web-satirist's plea to be heeded. But I beg you, just for a moment, to imagine a different Australia.

An Australia where our leaders make some kind of effort to keep us entertained as we plough wearily through our ever-depressing lives. An Australia where less than 60 per cent of the space in our mainstream newspapers was devoted to articles about how to maximise your superannuation. An Australia where the parliament features fewer points of order, and more cans of whoop-ass. An Australia where we weren't worried about the

Prime Minister's wife's fashion sense, because of all the old nude photos of her floating about the place. An Australia where Tony Abbott was allowed to go off his mood stabilisers and roam the streets unleashed, setting fire to condoms and biting random passersby.

An Australia where we judge a man not on the soundness of his fiscal philosophy, but on the frequency of his public drunkenness.

I guess in essence, what I'm saying is: come back, Mark Latham. A nation turns its lonely eyes to you.

Media release

Australia's most popular Bogan, Claire Werbelof <http://www.youtube.com/watch?v=Ja01zTkCft8> will act as a [special media advisor](#) to Woodchip Communities Australia.

She will advise WCA on maintaining positive media outcomes ensuring the proposed Bell Bay pulp mill will not receive any further adverse publicity.

Claire's cheeky approach to the media demonstrates to us at WCA that she has all the attribute required to spruik the Gunns pulp mill to the Tasmanian public.

Claire is also a hot bogan which means that she will blend easily into the culture of Woodchip communities.

On her new relationship with WCA Claires said

"I am stoked to be working with WCA to sell the pulp mill to Tasmanians". "Lester Barker is a fully sick dood ay." and..."Pulp mill, our fewtcha, our jobs...ay"

Lester Barker - Woodchip Communitis Australia