

# The Big Picture

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"News to use & amuse"



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## Pumping up their own income

The matter of Bob Brown being charged \$240,000 to pay for Court costs in the highly distorted Wielangta case brought back one of our governments' major cons. Happily there have been enough generous donors to save Bob's seat in the Senate so I'll leave out the moral and ethical problems with that situation, and look at the money.

To explain here's a simple example...

You have two children, a brother and sister. You can afford to give them \$10 each a week. The brother gives \$5 of his pocket money to the sister who now has \$15. Because the brother only has \$5 he comes back to you for another \$5 to make him square. Should you pay?

With the Bob Brown situation, the public pays some total to the various governments over a period. When one government or department shifts costs to another for some reason that does NOT imply that the public has to make up any difference, any more than it did in the pocket money case.

Bob Brown represents the public, Forestry Tasmania represents the public and the Courts represent the public. How they finally end up distributing their budgets between them should not be our concern. Neither should it be used, in any way, to justify further payments by the public to any of the representative groups. Stewards of our money, should operate within affordable limits.

But this is now what governments are doing.

Artificial manoeuvres to gain more money from the public are unsustainable, illegitimate and irresponsible. The stewards of our money are rewarding themselves for failure while penalising the public unnecessarily. They are using our money to create more liabilities for us which I believe is entirely wrong.

When a State government shifts costs on to Councils, for example the recent creation of new water authorities in Tasmania, that does not justify higher public charges. Australian governments now control so much of our money that there is plenty of room for redistribution and streamlining.

If governments do not act as responsible stewards of public monies, then the only real limit on the amount that the public may have to end up paying is everything!

Increasing government revenues at our expense by being poor stewards of our money is repeated when governments' gamble on investments and lose. Councils in NSW for example, have been reported to have lost up to \$500 million via Collateralised Debt Obligations and other dodgy instruments.

The result is that those whose money was lost, the public, will have to stump up **another** \$500 million to cover the position. Put simply, instead of paying \$500 million the public has to pay double that amount. Because they gave the Councils stewardship of that tranche of public money, the public has been further penalised. If they hadn't paid the first amount, the second would never be needed.

The whole sequence is only made possible by the complexity of the system and the failures of the media to report what is actually happening. To figure it out we need to study the flows of money, who handles it and where it ends up.

In Tasmania, the Launceston Council won a taxpayer funded federal 'grant' of \$27 million to build a new swimming centre. By building the centre with inadequate parking from the outset, pressure has been placed on local residents to now pay to park in the streets for which they themselves have already paid.

In short, because the taxpayers paid \$27 m at all, select taxpayers now have to pay even more for facilities that are, in effect, already theirs.

Compounding this, many public servants' pay is linked to gaining more income so that it is entirely possible that the Council (and others) planned to have insufficient parking so that they could achieve additional income from parking. The incentive programs create a conflict of interest for staff who should be impartial.

## U.S. Body counts back in Afghanistan

Source: [Wall Street Journal](#), June 1, 2009

"In recent months, the U.S. command in Afghanistan has begun publicizing every single enemy fighter killed in combat, the most detailed body counts the military has released since the practice fell into disrepute during the Vietnam War," reports the Wall Street Journal. The change comes in response to concerns "that at home, the common perception is this war is being lost," explained a military spokeswoman. Enemy body counts are only released for U.S. troops separate from the NATO-led forces, as European nations feel that publicizing deaths "would prove politically unpalatable at home and counterproductive in Afghanistan." In addition to making "it harder for insurgents to credibly claim victory," the U.S. military says releasing body counts will also help "debunk ... enemy propaganda" over civilian casualties. Afghan officials, local human rights organizations and U.S. military personnel often disagree over how many civilians have been killed by military operations, leading to "public-relations chaos."

Oh no! Not that...not PR chaos!! AAAaargh...

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## That was the week that was

### Financial mess

Worst of crisis is over [TheAge](#)

The crisis isn't over. [ICHVideo](#)

Numbers only tell a part of the story [TheAge](#)

Zimbabwe inflation the future for US? [ICH](#)

### Governance & spin

Dubious deals done on Reserve Bank watch [TheAge](#)

Vic's losing poker hand [TheAge](#)

Is Rudd a bird? Plane? No, he's Hyperman: McKay [TheAge](#)

NSW land deals 'illegal' [SMH](#)

Bushfire survivors let down by government [HeraldSun](#)

Branch stacking buck stops with ALP leaders [TheAge](#)

Cold hostilities in Canberra [Telegraph](#)

Tas govt cuts across the board [Mercury](#)

Tas govt discovers efficiency [TheAustralian](#)

Lessons from the political bilges – Brown & Nile [SMH](#)

Threat to take planning power from Vic Councils [TheAge](#)

### Forestry/Food/Agriculture

Green's Brown Senate seat under threat from FT [TheAge](#)

Gunns joins Timbercorp fray [Stock & Land](#)

Gunns set for pulp mill deal with Swedes [TheAustralian](#)

Mill smokestack changes likely [Mercury](#)

### Climate/water/energy/environment

Wong defends axing of solar rebate [SMH](#)

Greenhouse pledges way too low: UN [TheAge](#)

### Health/education revolution/communication/defence

You can't hide when you Google [TheAge](#)

Flu response chaos: Medics [TheAustralian](#)

### Economy/social/shelter/transport

Vic shortage of childcare workers puts kids at risk [TheAge](#)

Share crash forces Super reform [TheAustralian](#)

Tasmanian rail services collapse [Mercury](#)

Jesus saves, Anglican church invests - loses \$100 million [SMH](#)

Australia on cocaine binge [TheAge](#)

Sydney has lost its soul and its sparkle [TheAge](#)

Is cheap maintenance cause of Jetstar cockpit fire? [TheAge](#)

Over \$1/2 bn for 3 km of Vic rail track [TheAge](#)

## Evaporating money?

The media madness goes on now with 'evaporating' money.

JAMES PACKER'S \$US250 million investment in a United States casino development company has evaporated after three of its subsidiaries, including its Las Vegas arm, filed for chapter 11 bankruptcy protection. [SMH](#)

What are they talking about? Someone actually received Packer's money...AND THEY STILL HAVE IT!! It hasn't evaporated or disappeared at all – someone else has taken it and provided nothing in return...and surprise surprise – it's Las Vegas casino operators! Duh!

If Packer had paid in gold would that have evaporated too?

Why doesn't the headline read 'US gambling operators fleece Packer of \$¼ billion?'

It's the same with the global financial crisis. The money didn't get lost, or disappear, or evaporate. Some people still have it.

If it were reported accurately we might understand the situation a little better...e.g. unscrupulous investment bankers have taken over \$X billion from Australian superannuation funds without offering anything of value in return leaving many Australians unable to retire, while the investment bankers are billions of dollars richer.

Or investment bankers have swindled Australian superannuation funds out of \$X billion by selling them worthless 'assets'.

The government response to the super problem (a government mandated lottery) is superbly explained by Alan Kohler on [ABCVideo](#)

## Bureaucracy in action

In management terms, bureaucracies have common and undesirable characteristics including a tendency to error, excessive costs, inadequate and flawed outputs and are excessively slow to operate. They also tend to find reasons not to do anything.

Here's a relevant example 'ripped from today's headlines'...

ANGRY GPs have slammed a "conspicuous lack of leadership" in Australia's response to the swine flu crisis, with some patients waiting eight days for test results or receiving anti-viral drugs too late to limit the infection.

One said a 17-year-old boy who came to her Toorak practice two weeks ago with classic flu symptoms, including a 39C fever, had to wait for eight days for test results to confirm his diagnosis, by which stage he was back at school.

The patient was initially refused priority testing because he fell outside Victoria's risk criteria, and could not be fast-tracked even after classmates tested positive to swine flu.

"They said they couldn't do it - it was on the slow train to nowhere and had been sent interstate," Dr Charlesworth said. "I asked if I could at least have Tamiflu for the patient, for his household, and for myself - and they said, 'No, because he doesn't have swine flu at this stage!'"

It sounds like a joke, but the joke is actually on us.

## Does Labor lack principle?

There's a signal lesson coming to us from NewLabor in the UK and that is that Labor appears to have no conception of the meaning of money or value.

Whilst many economists were surprised by Alistair Darling's April forecast that the UK Economy would grow by 1.25% in 2010 and 3.5% in 2011. However we need to consider the following in that 1.25% growth on the annual GDP of £1.2 trillion equates to growth of just £15 billion and for 2011; 3.5% growth equates to just £42 billion.

Therefore the government is borrowing a net £175 billion for 2009 and £175 billion for 2010 to generate £15 billion of growth, and then a further £140 billion for 2011 for £42 billion of growth. Thus total net borrowing of £490 billion to grow the economy by just £67 billion, (£595 billion my forecast) which shows the magnitude of the scorched earth economic policy now implemented that literally aims to hand the next Conservative government a bankrupted economy that will be lumbered with the consequences of continuing huge budget deficits and therefore necessary deep cuts in public spending. [MarketOracleUK](#)

They have to borrow £175 bn to create a new £15 bn. Brilliant.

Under the Labour government the public sector has become a funding black hole that threatens to bankrupt Britain, which is illustrated by the NHS spending that has grown to more than 10% of GDP from 3.5% of GDP in 1948 and carries more than a million passengers on its gravy train. Every extra £1 spent on the NHS only generates barely 10p in increased output, where Britain spends 3 times the amount on the NHS per capita than most Eastern European States that still somehow manage to delivery a better health service and leaves Britain languishing at the bottom of the European Health leagues.

Incompetence, greed and waste are the operate words, NOT value for money or putting patients first as illustrated by an opinion poll amongst 156,000 NHS staff that found that patient care is not a top priority for the NHS. It is no wonder that patients in their hundreds of thousands are seeking private health screening and GP services.

It's worth comparing all of that to statements in Australia about our government system...

NSW public hospital system, for example, lurches from one financial management crisis to another with no prospect of improvement.

The hopelessly inadequate and malfunctioning rail network, particularly in the greater Sydney area with its population of more than 4.4 million, is another example of the failure of the system. The Government has used the taxpayers' money to put political expediency ahead of technical and engineering reality in its Alice in Wonderland approach to this commuter rail crisis.

A new \$2.3 billion rail link to service Sydney's upper north shore commuter corridor is a fiasco, in part because it involves one of the world's steepest train tunnels built to avoid putting a much more functional bridge over the Lane Cove River to placate the green lobby. This has forced trains to be limited to four carriages and has led to complaints from commuters about vibrations and high noise levels in the tunnel.

Mismanagement leading to the chronic waste of finances has undermined the whole spectrum of public services including education and police, as well as transport and hospitals.

At the core of this is a bloated and dysfunctional bureaucracy that appears to be more preoccupied with echoing the political spin of government Ministers than focusing on the good administration of the state. 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. [TheAustralian](#)

Coherent viable societies organise around universal principles (e.g. the precautionary principle – first do no harm). If we can identify a set of useful principles then we can use them to guide all of our actions.

Such principles have been known to us for a long time. For example the idea of the population being entitled to something in exchange for their taxes – a quid pro quo. Yet here is Australia the population has no coherent Rights, just responsibilities while all of the rights are vested in 3 levels of government that has no enforceable requirement to act in the interests of the public and still represents a UK Crown made powerless by the Australia Act.

When reviewing the performance and actions of Labor, it's very difficult to work out what consistent principles they apply simply because there don't appear to be any. The only principle really appears to be convenience to the government and political parties coupled with convoluted 'Hollowmen' explanations.

## A Society That Nobody Wants

Brenda Rosser

*The Vietnam moratorium march held in Melbourne on 8th May 1970 - the biggest march the city had ever seen - was organised by Dr Jim Cairns [1] and held only a few days after 4 students were killed and 9 wounded by US National Guardsmen at Kent State University in America.[2]*

The Australian establishment was horrified, "predicting blood in the streets and the Minister for Labour and National Service said "it was an invitation to anarchy". Later he called the supporters of the Moratorium "**political pack-raping bikies**" while the Prime Minister of the day said they were storm troopers." [3]

A few years prior to this event the US State Department had opposed Dr Cairns' application for an entry visa to enable him to engage in a speaking tour against the continued US and Australian military involvement in Vietnam. However, the State Department capitulated when they were advised by Australia's Foreign Minister that such a refusal would be considered "against the interest of Australia if a member of the Australian Parliament was rejected entry into the US." [4]

I was 15 years old then and I didn't know why boys close to my age were being conscripted to fight in this Asian nation. Miseducation was (and remains) compulsory.

Jim Cairns' book entitled 'Silence Kills' has a description of the Vietnam War. On the first page of his book it says

"Vietnam is one-twenty-eight the size of the United States. Its total population is one-sixth that of America. The average Vietnamese lives for a year on less than the average American consumes in a week. Vietnam is a peasant country with little science and little industrial power. America, an industrial giant, is able to send men to the moon. Vietnam has no air force or navy. American aircraft bomb and strafe South Vietnam without fear of attack. Her powerful navy shells hamlets, villages and towns and sends out fighters and bombers while riding safely miles out to sea. The United States is a vast sanctuary where tens of thousands of men in industry turn out bombs, napalm, gases, aircraft, guns, mortars and all the weapons of war; and to this sanctuary America has added the airfields of Thailand and benefits from aid from a dozen 'free world' nations all of whom are safe from attack. Vietnam, in the south, has been bombed, shelled and burnt almost back to the stone age."

Wars and mainstream thought are wrong. Dead wrong. Many years and many books later the questions on the Vietnam War still keep coming.

People are uneasy about and ashamed of the world that they have given their children to grow up in. My parents were resigned about their own convenient adjustments, but they were, by no means willing to see their children robbed of a life of worth

There is not one scintilla of evidence of Australian troops torturing prisoners of war in Vietnam.[5]

[Army chiefs admitted that water torture was used against captured Vietnamese.] (Ed... what about those [London bobbies?](#))

This is our great adventure, and a wonderful one it is. [6]

If we quit Vietnam, tomorrow we'll be fighting in Hawaii and next week we'll have to fight in San Francisco. [7]

There is little evidence that the Viet Cong have any significant following in South Vietnam. [8]

Oh, it's so hard to give expression to the process of the loss of ethical values that has gone on for so long. There are several edits to this post this morning. Many words are devoted to science, and invention and to practical organisation. It's expedient, but a language appears to have died in the process.

Now the killing fields extend to the world's oceans, forests and the global economy? Greed proves its exponential function.

An autopsy for national and global death needs to be carried out. Part of this process "must read Vietnam." [9]

[1] Doctor Jim Cairns was the former Deputy Prime Minister of Australia in the Whitlams Government. He was forced to resign as a result of what he claims were lies posted in the Melbourne Age (Fairfax) newspaper. (See 'Oil in Troubled Waters' by Jim Cairns. Page 92. Published by Widescope International Publishers Pty Ltd, 1976.)

[2] VCE Attitudes to the Vietnam War <http://www.shrine.org.au/files/documents/VCE-Vietnam.pdf>

[3] A reminder of Vietnam by Pauline Mitchell\* <http://www.cpa.org.au/garchve03/1161cairns.html>

[4] 'Straight Left' by Tom Uren. Random House, 1995. page 188, 189.

[5] Australian Defence Minister Phillip Lynch, responding to Australian journalist John Sorell's claim in the Melbourne Herald, 1966

[6] Hubert Humphrey, United States Vice President on Vietnam, 1967.

[7] Lyndon Johnson, United States President, 1967. He was elected as a peace candidate in 1964 but then his administration organised the 'Gulf of Tonkin' incident to encourage the American people to yet another war.

[8] Dean Rusk, United States Secretary of State, 1965.

[9] Beyond Vietnam: A Time to Break Silence By Rev. Martin Luther King. 4 April 1967