

The Big Picture

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"News to use & amuse"

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Editorial

The effects of inept government are felt in many ways...

KICKING through the charcoal and twisted metal of their Kinglake West home after Black Saturday, John Butterworth proclaimed to his wife Chris that they would probably be in a new home within three months.

How wrong he was. The couple and their four adult sons will spend a second winter in a compound made of old caravans and a redeployed builder's office known as an Atco hut...

The Butterworths' despair has been fuelled by their rebuilding attempts being ensnared in new government bureaucratic demands for buildings in the zone of highest bushfire danger, the so-called flame zone. This has been compounded by problems translating an engineer's interpretations of those requirements into a structure that can be built. [TheAge](#)

Instead of acting to solve people's problems, governments rely on massive bureaucracies mired in statutory process...

THE reconstruction of Marysville is being blocked by bureaucratic delays and an obsession with process, according to four philanthropists who donated millions of dollars in goods and services - as well as time and money - to help rebuild the town.

Mr Forrest...said the approach to rebuilding Marysville so far had been "stifled in bureaucracy". Mr Forrest said Australians had donated millions of dollars, but bureaucrats were "putting conformance over performance ... and this has not helped the surviving families".

He said he became alarmed at the slow progress last year, after working regularly in the town. "We really need the government leaders to show action...by actually achieving rather than slavish adherence to process." [TheAge](#)

Governments are adhering to process, but not to standards. After the Wonthaggi exemptions and the 'fast track' Gunns pulp mill in Tasmania, we now read that...

The Interior Department exempted BP's calamitous [Gulf of Mexico drilling operation](#) from a detailed environmental impact analysis last year, according to government documents, after three reviews of the area concluded that a massive oil spill was unlikely. [WashingtonPost](#)

Corruption appears to run deep in Western 'democracies'...

Suspensions deepened when it emerged that Halliburton, the Texas oilfields company once headed by the former US vice-president Dick Cheney, handled the cementing for BP's Deepwater Horizon well. [Halliburton was also the cementer on a rig in the Montara oilfield off Western Australia that caught fire last August and spewed oil into the Timor Sea.] "So here's my question," asked Galston, citing evidence the MMS had become "a cesspool of corruption and conflicts of interest", with employees on at least 135 occasions accepting gifts and gratuities from oil and gas corporations. [SMH](#)

Dmitry Orloff, the Russian commentator who draws parallels between the collapse of Soviet empire and the US, reports...

The Chernobyl disaster was caused more or less directly by political appointeeism: the people in charge of the reactor control room had no background in nuclear reactor operations

or nuclear chemistry, having got their jobs through the Communist Party. They attempted a dangerous experiment, executed it incompetently, and the result was an explosion and a meltdown. The Deepwater Horizon disaster will perhaps be found to have similar causes. BP, the owner of Deepwater Horizon, is chaired by one Carl-Henric Svanberg—a man with no experience in the oil industry. The people who serve on the boards of directors of large companies tend to see management as a sort of free-floating skill, unrelated to any specific field or industry, rather similarly to how the Soviet Communist party thought of and tried to use the talents of its cadres. [EnergyBulletin](#)

The saga of Victoria Police Commissioner Christine Nixon is interesting because it seems to be taken for granted that the top cop need not have actual policing skills. In other words, it's fine to have high level political appointments – a situation that Orloff argues exposes everyone to severe problems.

"It was unwise of her (Commissioner Nixon) to go home, but she's said - and I also have to agree - that if she stayed I don't think it would have made any difference because she didn't have the skills that other people have around emergency management," Mr Cameron said. [TheAge](#)

Advice from such appointees could easily distort our political and government classes decision making so that we ignore real threats and focus instead on minor issues.

WE are now witnessing the end of a broad-based economic reform agenda and its replacement by narrower and more intense political fights.

Kevin Rudd had set a national goal of lifting productivity growth. And the tax review, commissioned from Ken Henry out of the heady blush of Rudd's 2020 ideas summit, provides a rational blueprint for doing this through wholesale tax reform...

Yet, rather than using the Henry review to break through political impediments to reform, Rudd and Swan are smothering its politically uncomfortable results. The review headed by its own Treasury secretary is an "independent" exercise that has merely "informed" the government's agenda. Henry cut a mute figure at Sunday's press conference, barred from publicly contributing to Swan and Rudd's "mature" tax reform debate. [Australian](#)

Given the exposure of our systems to error, governments need to be raising and enforcing standards, not lowering them.

A [typing error by a stock market trader](#) is believed to be responsible for the US equity market crashing by nearly 1000 points over night.

CNBC is reporting that a trader entered a "b" for billion instead of an "m" for million in a trade involving US company Procter & Gamble.

The dive sent shock waves around global financial markets as \$US1 trillion (\$1.1 trillion) evaporated from US share values in minutes. The [Australian dollar](#) plummeted below 88 US cents, from about 92 US cents yesterday. [Australian stocks](#) [dropped sharply](#) at this morning's opening, shedding more than \$30 billion in value, or more than 3 per cent - its worst slide in almost 11 months. [SMH](#)

That Was The Week That Was

Governance + spin

Tas public service urgently needs downsizing [Mercury](#)
Rudd ignores chance to fix house affordability [SMH](#)
\$0.5 bn in pointless costs OK by Vic govt: Davidson [TheAge](#)
Rudd strategy creates a high risk Australia [BusinessSpectator](#)
Rudd tax package a sham and shambles [SMH](#)
An overview of the Henry report: Gittins [SMH](#)
Did Kev & Wayne read the tax review? [TheAge](#) [BusSpectator](#)

Forestry/Food/Agriculture

Tas forestry has turned corner says Gordon [Mercury](#)
Fair Work threatens Tassie veg processor jobs [Mercury](#)

Climate/water/energy/resources/environment

Aus global footprint one of the worst [TheAge](#)
Dark tales emerge of oil cesspool [SMH](#)
Mackay on Rudd's ETS mistake [SMH](#)
TWS splits at meeting [TheAge](#)

Health & education revolutions/communication/defence

Bureaucracy stifles best school outcomes CourierMail
Patient untreated because govt says disease doesn't exist [SMH](#)
\$10,000/yr Vic TAFE fees deter students [TheAge](#)


Economy/social/shelter/transport/free speech

Melbourne cafe owners told store garbage bins inside [TheAge](#)
Bureaucratic delays block bushfire reconstruction [TheAge](#)

World

BP exempted from environmental study in Gulf [WashingtonPost](#)
Facts about inequality in America [ICH](#)
US food prices spiralling out of control [TheTrumpet](#)
Perils of overspending [TheAge](#)

DEFICIT AND DEBT WHO'S IN TROUBLE				
	deficit 09 % GDP	gross debt % GDP	unemployment %	corruption (out of 10)
1 Greece	13.6	115	11.3	6.2
2 USA	12.5	84	9.7	2.5
3 Iceland	12.4	118	7.6	1.3
4 Ireland	11.5	66	13.2	2.0
4 Spain	11.5	59	19.1	3.9
6 UK	10.9	71	8.0	2.3
7 Japan	10.3	189	5.0	2.3
8 Portugal	9.3	84	10.5	4.2
16 Italy	5.3	124	8.8	5.7
AND WHO ISN'T . . .				
20 Australia -	4.1	16	5.3	1.3



Mind you, being #20 out of 193 isn't THAT impressive.