

The Big Picture

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"News to use & amuse"

A BETTER AUSTRALIA

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Editorial – Across the news

What a week! We started with an indicator of trouble ahead...

KEVIN RUDD'S top mental health adviser has quit, accusing the government of a lack of vision and commitment to a problem that affects millions of Australians..."It is now abundantly clear that there is no vision or commitment from the Rudd government to mental health," he wrote.

"Rudd government is publicly claiming credit for the increased investment in mental health when almost all of this is a consequence of the work of the Howard government." [SMH](#)

That was adviser on mental health for the rest of us, not for Rudd. Next portent was this excellent and incisive article...

NSW Labor is defined by a mentality of entitlement and grievance – and has been for almost 40 years. Back in the late 1960s and 1970s, a coterie of Young Labor operatives, including Paul Keating, Bob Carr and Graham Richardson, sat around and divided up the world.

They believed that simply because they craved seats in parliament, and plotted a way there, they were entitled to such perks. The problem with the template they struck is that people whose ambition outstripped their talent have followed...

(Labor mates) and their sponsors in the Labor machine, decided if you could prove yourself in the superficial arts of politics, such as screeching platitudes from a script at party conferences and looking good in a suit, you possessed all the qualities necessary for a seat in parliament...

Most tellingly, none came to parliament having distinguished themselves in a profession, trade or career. And that is the problem with modern Labor...

Labor has ceased to be a mass political party, with members who are also active in sports clubs, P&C associations, community groups and charities. It no longer attracts people of quality – the sort of quality that characterised the first Hawke ministry, with its shearers, train drivers, law professors, medical doctors, philosophers, coppers, farmers and church ministers – as candidates.

Labor has become a haven for careerists, where idealists are sniggered at as "losers". [SMH](#)

No matter how crazy it became, Rudd kept promising to 'work harder', but what to do about comments like this...

Instead of using Australia's success to cut taxes and set us up for the future by attracting investment, Kevin Rudd decided to act like one of the desperate, near-bankrupt governments and actually raise taxes to make Australia's short-term deficit a little shorter.

What's more he did it with a new and complicated tax that will drive investment away and threaten the basis of Australia's success, while getting him into a messy and unnecessary political battle with the global mining and project finance industries.

It was an incredible mistake – one of the maddest, most idiotic episodes in this country's history. [Alan Kohler](#)

all leading up to...

No matter how good the salesman, the hopelessly compromised emissions trading scheme, the disastrous home insulation scheme, the out-of-control 'Building the Education Revolution' program, the \$43 billion commitment to a national

broadband network without any analysis and the RSPT are unsaleable.

The autocratic nature of the Rudd prime ministership (has there ever been such a dictatorial prime minister in this country?) and the abandonment of any guiding values other than perceived political advantage and the intimidation of any dissent has been a major contributing factor in the quality of policy and ultimately in the consigning of Rudd to history. [BusSpec](#)

And so we got the news that the media loved, a fairy tale for Labor and another nightmare for Abbott...

THE coup that installed Julia Gillard was driven neither by policy nor ideology; it is about image, party management and election survival, and constitutes a new method of Labor rule.

Gillard's vision for Australia is little different from that of Kevin Rudd. But Labor's spinning wheels will work to conceal such embarrassing truth. Indeed, Gillard endorsed every significant decision made by Rudd during his brief period in office. [Australian](#)

A government driven by image and election survival? Are we alone in this or are we just followers again?

As the US analyst Anthony Cordesman writes in a paper for the Centre for Strategic and International Studies in Washington: "The current situation is the product of more than eight years of chronic under-resourcing, underreaction, spin, self-delusion and neglect. It is the result of one of the worst examples of wartime leadership in American history." [SMH](#)

And are our elected representatives running things?

Instead of closing ranks behind a uniform position (Henry's own, we may presume), economists were too much inclined to discuss the pros and cons of policy. "Whenever an idea is ventured publicly by a person, whether that person is a policy adviser or whether it's a government minister, there's at least a handful of academics who will contest it," Henry complained.

Good grief! Academics contesting policy ideas! That's scandalous. How dare they? On closer inspection, the problem does not lie with the academics but with the Treasury secretary. Ken Henry seems to have forgotten that he is not heading the Ministry of Truth but that he is supposed to be a non-partisan bureaucrat. [TheAge](#)

Governments' constant need for more money to accommodate their own growth, the expansion of their salaries and benefits, and the need to spend more to correct their own mistakes is starting to bite.

zalco of Melbourne Posted at 10:09 AM Today

I have five children and our family is on a single income (working nurse). I foresee the day coming when we will just have to leave Melbourne and live in the country on unemployment benefits just to keep utilities connected. It is costing near \$5000 a year just in utilities, \$20,000 a year in rent and that leaves us with less than unemployment benefits to live on already. The writing is on the wall for families like ours! [HeraldSun](#)

So there you have it, while our 'representatives' concentrate on image and style, more and more Australians are hurting.

Who's damaging working families? Government!

That Was The Week That Was

Governance + spin

Vic Labor tells kids to buy big cars [TheAge](#)
Julia, we need good government [TheAge](#)
Henry backs Rudd into corner [SMH](#) on Henry [TheAge](#)

Forestry/Food/Agriculture

Australian bees accused of US bee disorder [TheAge](#)

Climate/water/energy/resources/environment

Melbourne households pay \$1,000 yr for water [HeraldSun](#)

Health & education revolutions/communication/defence

4 yr wait for Vic outpatient treatment [TheAge](#)
Overseas student market at risk [Australian](#)
Our health system last in affordability [TheAge](#)
RPA computer system could cause deaths: doctors [TheAge](#)
Mental health chief resigns due to Rudd lack of vision [SMH](#)

Economy/social/shelter/transport/free speech

Feeding off incompetent governments: Davidson [TheAge](#)
Tas State kids care too often State abuse [Mercury](#)
A postcard to Rudd from the real world [ThePunch](#)
Women prisoners on increase in Vic [TheAge](#)
Tas prison inhumane: Ombudsman [Mercury](#)
What are we doing in Afghanistan? [HeraldSun](#) [Australian](#)
No vision on Vic mean streets [TheAge](#)
Brain snaps are a fiction: psychologists [SMH](#)
Tas taxpayers sentenced \$100,000 for each prisoner [Mercury](#)

World

By request, I'm publishing my 'Forestry Assault' article in my own newsletter. If you haven't seen it, I hope you like it.
If you want to republish sections, please feel free to do so with appropriate attribution.

Forestry's assault on Tasmanian communities, businesses and resources

By Mike Bolan

If someone wanted to damage you, your property, your lifestyle, your future and/or your business how would you feel about it if they also expected you to pay them to cause the damage?
Unenthusiastic? Hostile?

That's basically why so many Tasmanians oppose forestry as it's conducted here.

Overall it seems that the shift of focus of Tasmania's timber industry from valued timbers to wood chips has fuelled a range of dysfunctional results, including huge losses to the industry involving multiple bankruptcies (e.g. Great Southern, TimberCorp, FEA) and lost profits for Gunns. The ongoing efforts to shoehorn the idea of turning trees into their lowest common denominator of fibre, has corrupted our political system and threatens a massive community revolt.

The forestry story has previously been focussed on environmental objections versus forestry interests that decry objections as 'green' (and therefore presumably irrelevant). Without paid representatives and professional media spokespeople, the stories of communities and ordinary individuals have been swamped by paid spinmeisters.

I will try to tell the story simply - complex and extensive though it is - and to go beyond the name calling, accusations and assumptions of entitlement that are usually contained in forestry's self-interested narrative.

The island...

...of Tasmania is about 63,000 sq km much of which is inaccessible. Overall, it offers one of the few remaining places on the planet where some natural wilderness still exists along with low population densities that promise rural lifestyles that could be enjoyed in peace and tranquillity.

Because there are still some natural forest areas that remain beautiful and offer peace and tranquillity, the island offers the opportunity for relaxed lifestyles, intimate relations with nature and innovative industries (e.g. self sustaining retirement centres) except for...

the forest industry

...which dominates Tasmania's landscape, resources, infrastructures and governments and enjoys multiple exemptions from the laws that apply to, and protect, the rest of us; that judges public grievances against it and finds itself blameless; that depletes the landscape and our water catchments at our expense; and that constantly expects more money and more resources from us in order to feed global fibre markets and line the pockets of a few.

Astute readers will note that trying to compete in a global low margin/high volume commodities market from a small island with relatively high costs was always a very dubious proposition. It seems to fit a 19th century 'big is good' mentality but doesn't fit Tasmania.

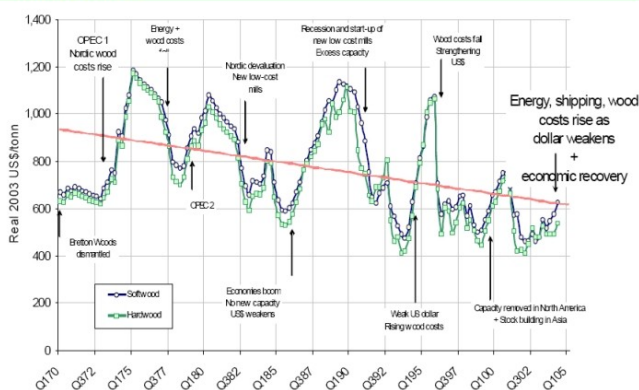


Countries shown to scale

The only way that forestry has been able to maintain any semblance of profitability was via generous subsidies and exemptions from laws coupled with low or no cost resources and other forms of public assistance. Forestry describes their heavily subsidised state as 'sustainable'.

When the absurd 'world scale' pulp mill was first mooted, it was well known that global prices for pulp were on a long term decline and that low cost suppliers would dominate. Indeed expert forest actuaries and others advised the ill fated Resource Development and Planning Commission (RPDC) of the realities. The Labor government's answer to that problem was to dump the RPDC!

Historical Pulp Price



Source: 'Defining the China Market for pulp, paper and board' Hawkins Wright

DBS Vickers pulp & wood report {<http://ir.zaobao.com/ufs/news/ufs200705.pdf>} published at the time the pulp mill was to be evaluated, forecast current world realities...

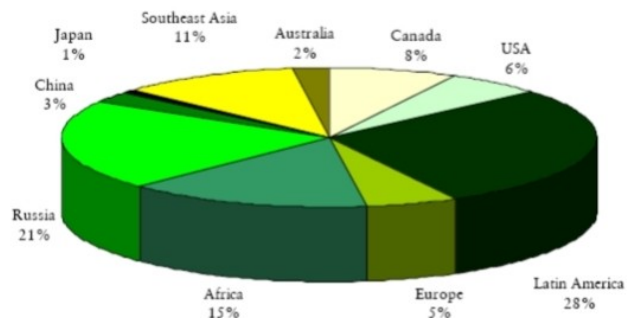
Low cost suppliers could displace existing producers. A key trend on the supply side is that producers from low-cost regions like Brazil and Indonesia could displace higher cost producers from North America and Europe. This is especially so given that supply is expected to exceed demand over the next few years. The closing down of some capacity should then help to tighten supply.

When we read the Vickers report (and many others) and looked at Gunns 'world scale' proposal in context, we saw that the entire idea was ridiculously over scaled for a small island like Tasmania. The only 'solution' was more and bigger subsidies from taxpayers, money that couldn't possibly be justified if forestry was 'sustainable' as the industry insisted.

To get a better sense of what 'world scale' means, Gunns mill was to produce about 1 million tonnes of pulp per year, requiring 4 million tonnes of green pulp wood. With a production rate per hectare of land of around 150 tonnes per hectare taking around

15 years to grow, that means clearfelling about 270 sq km of densely planted trees each and every year – about twice the area of Sydney (<http://en.wikipedia.org/wiki/Sydney>).

Global Wood Stocks – 380bn cbm



Source: Jaakko Poyry

Since it takes about 15 years to regrow, the total area to be shaved clean by the mill would be around 4,000 sq km! To produce that timber requires over 600 GJ of free water taken from Tasmania's catchments each year at the expense of food producers and communities, plus a load of fresh water to be converted into a toxic waste stream by the pulp mill's operations.

From recent collapses in the pulp wood supply industry it's pretty clear that Tasmania cannot compete on price in global markets in which the price paid is not only non-negotiable, it's declining every year!

Tree growers and forestry contractors are the ones who must suffer the predictable price squeeze. Taxpayers must fork up for any losses via a cozy \$15/tonne 20yr wood supply deal between the government and Gunns that prices our resources to attract foreign buyers. We already know that...

the impacts so far include...

- Closure of sawmills, many of which were family owned
- Job losses as mechanisation takes over from manual work
- Expansion of activities to feed a global market with a low value commodity (fibre)
- Expansion of plantations to nearly 3,000 sq km requiring 600 GJ water each year
- Massive reductions in rates income to Councils as plantations pay a fraction
- Legal problems for everyone as forestry exempted from laws that apply to taxpayers
- Health and other system failures as taxes are diverted to forestry subsidies
- Serious concerns that vast plantation operations are polluting water supplies
- Health problems as autumn forestry 'burns' cloud skies with particulates
- Frightening driving experiences from encounters with massive log trucks
- MIS failures creating massive losses for mom & pop 'investors'

Some argue that Gunns is fortunate that they don't have their \$2.5 bn pulp mill already because they'd have over \$3 bn debt that they couldn't pay off as opposed to the current level of \$600 million.

Ever since the mill was first falsely described as an investment in Tasmania, the industry and government have relied on deception, ignorance and spin to sell their proposal. The community always knew that the mill was a \$2.5 bn investment in Scandinavian suppliers that Tasmanians would have to pay off with their resources and taxes.

Why is it all happening?

According to many, Australia's governments believe that forestry money and CFMEU votes can get them elected, consequently like Howard earlier, they are prepared to sacrifice our lifestyles, our hopes and aspirations, our taxes and other services, our water and forests, impartial representation, our environment and animals and anything else that it might take to get this outsized, 19th century, big smokestack proposal off the ground and lever themselves into office.

What Tasmanians get

Here's the story that I was told by the many people that I visited in rural communities in Tasmania.

"The industry puts its hand out for multiple favours from taxpayers in the form of big cash subsidies; free water to feed their 3,000 sq km plantation estate which was acquired at taxpayer and small investors' expense; free roads and bridges plus their maintenance; paid forestry research and publicity; legal exemptions from planning, clean air, freedom of information and other laws that apply to everyone else.

So many exemptions and favours that forestry is now literally a law unto themselves.

In exchange they cut down our forests to sell as wood chips to overseas markets; destroy animal habitats; burn off everything with napalm including ground cover and organic soil; smoke out our towns and villages and threaten asthmatics and anyone else with breathing problems; dominate our roads with overloaded log trucks; put poisons in our water supplies; and threaten us all with a sub standard pulp mill whose approval was bought from a Swedish pulp mill supplier.

The result of forestry's efforts includes losses of food production farmland; huge depletion of our water catchments (600 Gl/yr); bankrupt food processing businesses; forest contractors forced to operate on a shoe string; bankrupt MIS schemes; massive losses to small investors and taxpayers; and a divided community and corrupted government."

That's what most Tasmanians have got for their hard earned taxes...detrimental impacts, big costs, conflict and division. Meanwhile patients of our health system are suffering as lack of funding bites deep into essential services.

Mr Poynter's article (<http://www.onlineopinion.com.au/view.asp?article=10565>) goes a long way to showing how that conflict is inspired and maintained. Instead of recognising the damage that forestry is doing, he takes the simple minded approach of attacking critics as being 'deep greens'. In doing so, he extends the problems for forestry and for communities.

The root cause of conflict is the actions of forest clearers that attack the lives, properties, health, governance, taxes and futures of forest lovers and ordinary people who must pay for the depredations and failures of an industry that was designed for another time and another place.

The debate

The exchange of media releases that passes for debate in

Australia has mainly been focussed on environmental objections to forestry. Both these and industry arguments have been advanced by paid representatives of the groups involved.

The community's paid representatives are the politicians from Labor and Liberal parties that 'approved' the pulp mill before it was even evaluated. Once party approval was achieved, Labor and Liberal politicians took a position of ignoring community representations against more support for forestry, or opposed to a 'world scale' pulp mill.

The community chant of 'no pulp mill' can now be replaced with 'no taxation without representation'.

The perversion of our 'representative' system is complete.

That represents the case for the community.

Good luck.