

YOUR NEWSPAPER EDITOR'S PICKS SPACEY TAKES A BOW Londoners paid up to \$3800 to honour Kevin Spacey as he stepped down after 11 years at the Old Vic. (WORLD: P10)

ASTON PLUGS IN CHINA TECH Aston Martin is turning to China to soup up its supercars. (THE WALL STREET JOURNAL: P24)



RHYTHM OF FLIGHT Paris-based tech firm Parrot has raised the bar for drones with the release of the Bebop. (TECHNOLOGY: P28)

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YOUR STATE WA, SA & NT

Sercos loses part of Fiona Stanley contract Responsibility for the sterilisation of surgical instruments at Western Australia's new hospital will fall to the Department of Health after contractor Sercos lost part of its lucrative services contract following a contamination scare. Health Minister Kim Hames made the announcement with the endorsement of cabinet ministers yesterday and said concerns over adequate sterilisation services at Fiona Stanley Hospital had created anxiety among staff, patients and their families. Dr Hames said public confidence in the \$2 billion facility had been undermined. An independent review into clinical services and patient care at the hospital would also be undertaken, he said, after "some challenges that were predictable, some we could not have foreseen". Eight operating theatres at Fiona Stanley will remain closed for the week after a water pipe burst at the weekend.

Pedophile McKenna faces further charges West Australian pedophile Dennis McKenna, who is already in jail for sexual offending against boys, will face further charges in a judge-only trial. McKenna is behind bars for dozens of counts of sexual offences against teenage boys when he was the warden at St Andrew's Hostel in Katanning, 290km southeast of Perth, between 1975 and 1990. Further allegations emerged last year for which he pleaded not guilty. McKenna successfully applied in the District Court of WA yesterday to have his case decided by a judge. He will next appear, via video link, for a trial listing hearing on Friday.

Police seek help after Gap crime spree Alice Springs police have issued a call for public help over a series of break-ins in The Gap area at the weekend. Detective Sergeant Trent Abbott said police received four reports of break-ins on Sunday. Thieves stole alcohol and money, he said. Detectives from Strike Force Vega, the police group tasked with addressing a spike in crime in Alice Springs, were investigating, he said.

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CONTACTS Sydney 9288 3000 Canberra 8114 8600 Melbourne 9292 2888 Brisbane 3666 7444 Adelaide 8206 2686 Perth 9326 8412 Hobart 6230 0644 News, tips and comment: feedback@theaustralian.com.au

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Push for aged-care tax relief

EXCLUSIVE

SID MAHER NATIONAL AFFAIRS EDITOR

Aged-care operators have asked state governments for \$653 million in payroll tax exemptions as they seek to cover the effects of cuts from last year's federal budget. The move comes amid fears in the industry that investment returns are not big enough to back the 76,000 extra aged-care beds needed by 2025 as an ageing population is expected to deliver a surge in the numbers of people needing care.

Leading Age Services Australia chief executive Patrick Reid said states were being asked for concessions as they framed their budgets because the federal government had cut the payroll tax offsets last year. They had been granted in the past to put the for-profit sector on a level playing field with the not-for-profit sector which is not required to pay payroll tax. But the federal government ended the payment from December 31, arguing payroll tax was in the realm of the states and the supplement to aged-care operators had effectively been subsidising the states. The move threatens to catch

the aged-care industry in another tax battle between the states and the federal government as premiers push Tony Abbott to restore hospitals and education funding. Mr Reid said the industry needed to attract \$31 billion in extra investment over a decade to meet the bed target. "We are not going to reach that investment level," Mr Reid said. His concerns are backed by Philippa Lewis, chief executive of Simavita, which provides technology platforms to the aged-care industry. She said while more programs were being put in place to keep ageing people in their homes, the number of beds in aged-care facilities

would also need to rise dramatically. "What people fail to understand about this whole issue of ageing is at the end of the day when you are very elderly, you will have to often spend that last period of your life in a facility so you can't stay home." "The extra beds in the system would not cover the demand," she said. Research prepared for LASA by the Centre for International Economics consultancy said the tax change had opened up an investment gap in the for-profit sector. In NSW alone the number of people aged 80 to 84 is forecast to grow by 3.8 per cent a year and the

number above 85 will grow by 3.1 per cent to 2030. The CIE report warns that the cost to NSW public hospitals of aged people being diverted to a hospital bed rather than a residential aged-care facility would be between \$10m and \$30m a year. Assistant Minister for Social Services Mitch Fifield said the payroll tax supplement had effectively been an uncapped, indirect transfer of revenue from the Australian government to the states and territories. "Put differently, it was the equivalent of the Australian government providing an exemption to state and territory taxes. "The level of government that

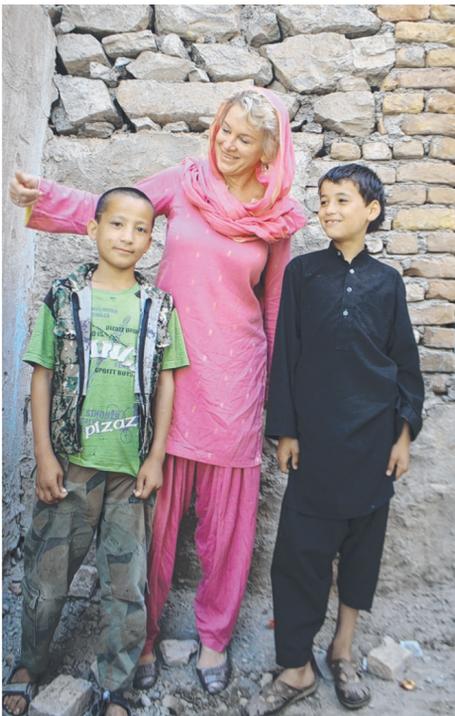
has responsibility for a particular tax base should have responsibility not only for its application, but any exemptions, including those relating to issues of competitive neutrality." The government was also moving to boost funding to encourage new facilities. He said from July 1 last year, newly built and significantly refurbished residential aged-care services attracted a higher level of accommodation supplement paid for residents with low means. Since the supplement became available on July 1 last year just over 200 services had applied and been approved for the higher accommodation supplement.

Afghan women's networks fear aid 'refocus'

EXCLUSIVE

AMANDA HODGE SOUTH ASIA CORRESPONDENT

Australia's flagship civilian aid project in Afghanistan's Oruzgan province, which funds health and education services for women and children, will end in June as the government shifts its aid focus from basic services to "productivity enhancing initiatives". The three-year, \$37.5 million program run by Save the Children Australia was always due to conclude this year, but the charity had hoped to secure funding to continue working in the southern province, where most Australian troops were based until December 2013.



Australian Helen Stannard oversees the \$36m Australian funded Children of Oruzgan project in Afghanistan

Save the Children policy director Mat Tinkler said the project had set up sustainable health and education services, trained midwives and female teachers, and refurbished schools and clinics, but that the need in Oruzgan "can't be addressed in three or four years". "We were hopeful we might continue the program in some form. However, that has not happened. It is disappointing because a lot of good has been achieved by Australia in Oruzgan and it would have been great to achieve even more ... for some of the poorest in all of Afghanistan." A Department of Foreign Affairs and Trade overview of aid to the country suggests overall funding will drop from \$148.4m to \$134.2m this year. It is not known whether Afghanistan will suffer

deeper aid cuts in next month's budget, expected to reduce Australia's total annual foreign aid contributions up to 20 per cent.

Julie Bishop says Australia's aid focus in Afghanistan, which last year saw its highest civilian casualties in the 14-year struggle

against the Taliban insurgency, will change after January talks with President Ashraf Ghani and a review of aid priorities. "I had a very productive discussion with President Ghani about how our aid budget should be pitched to meet the priorities they have as well as the focus we want to give to our aid program over all," the Foreign Minister said. "We discussed what they were looking for from the Australian

'Women are not a project you can just say, "I have supported women's education ... now I'm shifting focus"'

MANIHA NADERI WOMEN FOR AFGHAN WOMEN

aid budget and they were very much focused on economic outcomes. They wanted opportunities to develop the agricultural sector, for example, on water management ... much more practical, productivity enhancing initiatives rather than the delivery of basic services." The news dismayed Afghan women advocates, who say it is precisely this moment, with most international troops gone, a new government in place and Afghanistan struggling to cope on its own, that women and children most need international support. Maniha Naderi, the executive director of Women for Afghan Women, said: "This is a critical

time for Australia and other governments to really make their stance known; that women's rights are important to them, that children are important to them, and that they will keep supporting them until they can be sure they will be supported by the Afghan government, which they are not right now. I really wish the Australian government would reverse its decision and keep their support in Oruzgan because that province really needs it. "Women are not a project that you can just say, 'I have supported women's education for this long, now I'm shifting focus'. They need to be supported year after year until we can be sure the Afghan government can support them." Hasina Safi of the Afghan Women's Network, which represents 140 women's organisations, said she, too, had met Ms Bishop in January and the minister had "reconfirmed her commitment to women in Afghanistan". "Then I met the Australian Ambassador for Women and Girls, Natasha Stott Despoja, in March, where she also reassured their commitment and future cooperation," she said. "Even if the Australian government refocuses its money, women's rights must remain its priority."

Mr Tinkler said he feared some gains made in Oruzgan could be lost without follow-up programs. DFAT's own country profile talks of "severely limited" access to basic services in remote and rural Afghanistan, including four million children who have no access to education.

We're not ready: Phnom Penh

JARED OWENS

Cambodian officials say they are not ready to accept the first cohort of refugees from Nauru despite the Immigration Department telling asylum-seekers the first plane load could land in Phnom Penh early this week. Immigration Minister Peter Dutton yesterday blamed "logistical issues" for the delays, rejecting activists' "false" claims that no refugees had volunteered for the scheme. Mr Dutton's department last week distributed a fact sheet to refugees on Nauru indicating that the first flights to Cambodia could start from yesterday.

The Australian understands the document — which also contradicted the government's published travel advice about security and services in Cambodia — was a draft and that it was not intended to be distributed to the refugees.

'They are not under any circumstance being settled in Australia'

PETER DUTTON IMMIGRATION MINISTER

The Cambodian Ministry of Foreign Affairs spokesman, Koy Kuong, at the weekend told The Phnom Penh Post that officials were "confused" the Australians had distributed to refugees a fact sheet indicating the flights were imminent. Interior Ministry spokesman Khieu Sopheap told The Cambodia Daily it was "not true" that refugees could arrive within days and "we don't know anyone (who had) volunteered so far".

A Cambodian delegation was last night expected to arrive on Nauru to progress arrangements for the first cohort of refugees. Mr Dutton told ABC Radio: "We are obviously discussing and negotiating with the Cambodian government. "There are logistical issues in relation to officials from Cambodia being involved in the process. "If that's forced a delay of a couple of days then so be it. "But in relation to the claims that people aren't prepared to go,

they are false. There will be some in the community at the moment who are trying to pressure people not to take up the offer, but that is just prolonging their period on Nauru because they are not under any circumstance being settled in Australia." Refugee Action Coalition spokesman Ian Rintoul claimed that five asylum-seekers — from Sri Lanka, Myanmar and Iran — had agreed to join the first cohort. However, their refugee claims had not yet been verified, he said.

Yesterday, Vietnamese community leaders criticised the government for reportedly ordering the naval landing ship HMAS Choules to hand over to communist authorities about 46 asylum-seekers intercepted at sea. In a letter to Tony Abbott and Mr Dutton, Vietnamese Community in Australia president Tri Vo conveyed "strong disapproval" that the Coalition had "returned the asylum-seekers directly back to persecution". "All governments, and whatever the policies, should not operate in secrecy as this undermines the values of our democracy and the rule of law," he wrote.

Europe needs a boat solution: Molan

Continued from Page 1

children had arrived in the six years under Labor. An estimated 1200 people perished at sea. There have been no deaths at sea since Operation Sovereign Borders started 17 months ago. General Molan warns "the terminally naive of this world, who created the conditions for our local version of the Mediterranean disaster in the seas south of Java for years, but refuse to acknowledge the blame, are incapable of believing that we who saved lives by the practical policy of stopping the boats could ever have higher motives". He writes it is now time for Europe to decide on its course. "Europe needs to make a very big decision and to make it soon. If it does not want to control its borders then it should establish a sea bridge across the Mediterranean, let everyone in who wants to come, and not let these people die," General Molan writes. "If it does want to control its borders, as the most recent voting

patterns in almost every country of Europe indicates, European governments should realise that border control can be done and start showing a bit of leadership." A spokeswoman for Labor's immigration spokesman Richard Marles said the disaster was "an absolute tragedy and underscores why every effort must be made by governments around the world to stamp out people-smuggling syndicates." "Their depraved trade is why Labor in office moved to discourage people from making the risky sea journey to Australia by introducing the Regional Resettlement Arrangement," she said. Greens immigration spokeswoman Senator Sarah Hanson-Young called on the government to increase Australia's humanitarian intake, saying Australia "must step up and do its part". "Tony Abbott might want to trumpet stopping boats in Australian waters, but the truth is men, women and children are still drowning over the horizon," she said. ADDITIONAL REPORTING: AP

Cracked open: the case laid against big egg

REBECCA PUDDY

Executives from the nation's top 25 egg producers were summoned to a Sydney airport hotel in 2012 to hear details of a plan to kill chickens, bury surplus eggs or give produce to charity in a bid to control the market and keep prices high. Chicken farmers whose egg production was increasing by more than 5 per cent a year were told at the meeting they were contributing to an oversupply of eggs and were "not a team player". Details of the plan were laid out in the Federal Court yesterday, where the Australian

Competition & Consumer Commission has accused Australian Egg Corporation Ltd of attempting to establish a cartel to restrict supply, in breach of federal law. If found guilty, AECL could face a fine of up to \$10 million and individuals up to \$500,000 each. At the opening of the case in Adelaide yesterday, the ACCC alleged the corporation attempted to set up a cartel designed to control the number of eggs being sold, amid fears an oversupply could push down prices. AECL is an industry-run corporation funded by government-approved statutory levies gathered from member egg producers for promotions and re-

search and development. In 2012, AECL had up to 150 producer members and its board included representatives from some of the industry's biggest players. The case targets the corporation's managing director, James Kelloway, and two board members, Queensland egg producer Jeffrey Ironside and the former director of Farm Pride, Zelko Lendich. Tom Duggan, representing the ACCC yesterday, told the court the group had called an "urgent" meeting summoning producers responsible for 68 per cent of the eggs produced in Australia. The court heard Mr Kelloway sent an email to the top producers

calling for them to convene at a Sydney airport hotel on February 8, 2012, to deal with a "crisis" in oversupply. Documents tendered in court showed Mr Ironside chaired the meeting, while Mr Lendich spoke. Despite the efforts of AECL, no collective agreement was reached. Solutions offered by AECL included: disposing of eggs by donating to charity groups; dumping or burying them; attacking backyard producers; enforcing cage legislation to reduce the number of chickens in sheds; and bringing forward the culling date of hens by up to eight weeks. Mr Kelloway is due to give evidence today.

Key cools talk of NZ concern

New Zealand Prime Minister John Key has played down concerns expressed by his Treasury secretary about the slowing Australian economy. Gabriel Makhlof, in a weekend television interview, said he was less worried about China's reduced growth than he was about Australia's. "The Australian economy is doing less well and we rely on it quite a bit, so that is a bit of a concern," he told TV3. In a joint press conference with Tony Abbott in Wellington yesterday, Mr Key said his concerns were related to NZ's interdependence with Australia. "The reason we express those concerns is simply to reflect the size of the

Australian economy and its significance to New Zealand. Australia, depending on how you use your figures, is New Zealand's largest market ... so any slowdown in the Australian economy has an impact on New Zealand and we always say a strong Australia is good for a strong New Zealand. We applaud the government in Australia and think they are taking the steps necessary to try and ensure Australia is a strong and robust economy. But some of the factors that are slowing down the Australian economy, iron ore prices and the like, are beyond the government's control." MICHAELA BOLAND