



THE AUSTRALIAN BUSINESS REVIEW

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Alan Kohler

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LABOR'S REMOTE INDIGENOUS PROGRAM DELIVERS 277 LONG-TERM POSITIONS IN A YEAR

\$1.5bn scheme failing on jobs

EXCLUSIVE

PATRICIA KARVELAS

ONLY 277 indigenous jobseekers have found employment that lasted more than six months in remote regions in the past year, prompting the Abbott government to devise an overhaul of Labor's remote jobs scheme.

The Coalition has concluded that the \$1.5 billion nationwide scheme has been failing to engage

Aborigines in work, with \$120 million already spent equating to about \$433,000 per successful job placement of six months or more.

The data also reveals that only 30 per cent of the 37,000 unemployed Aborigines registered with the scheme were engaged in work for the role and similar structured mutual-obligation activities.

The Australian understands the Abbott government's new regime will roll out more work-for-the-dole activities and job-linked training in remote Aboriginal

communities. Indigenous Affairs Minister Nigel Scullion declared that the system in place was a disaster.

Under the Remote Jobs and Communities Program introduced by Labor, a single provider in each region is contracted to work with individuals, communities and local employers to help more people into jobs and build stronger communities.

The program was designed to provide a more integrated and flexible approach to employment



and participation services for people living in remote areas. It began in July last year with five-year

contracts. There are job service providers in 60 remote regions. About 83 per cent of those registered are indigenous.

Senator Scullion vowed to overhaul the system. "Employment outcomes... have been dismal," he said. "Despite spending more than \$120m on remote employment programs in 2013-14, only 277 jobseekers found a job that lasted more than six months. Furthermore, only about 30 per cent of jobseekers were engaged in structured mutual-obligation

activities. It's clear applying mainstream-style employment models in remote areas that have limited or no real labour markets has been a comprehensive failure."

Senator Scullion said Labor's program was poorly designed and implemented, and demonstrated why the government needed to investigate mining magnate Andrew Forrest's indigenous employment review to put the focus on ensuring training led to job results. The move was backed by Australian Indigenous Education Found-

ation chief executive Andrew Penfold, who said funding should only be based on results, including Year 12 completion and the delivery of lasting jobs.

Senator Scullion said some changes introduced last November had helped to reverse some of the design and implementation failures of the program "but there is still a long way to go to fix the bungled program design."

"I am looking at alternative ways of getting people in remote... Continued on Page 2

PM wins backing for Putin face-off

EXCLUSIVE

PHILLIP HUDSON

THREE out of five Australians are in favour of Tony Abbott confronting Russian President Vladimir Putin over the shooting down of Malaysia Airlines Flight MH17 when he visits Australia next month.

But despite endorsing the Prime Minister's tough talk, the latest Newspoll, taken exclusively for The Australian, shows overall support for the Coalition has dropped to a three-month low.

Labor continues to flatline, the Greens have received a bounce in primary vote, and Bill Shorten has marked his first year as Labor leader with his approval rating dropping to a three-month low and disapproval with him at its highest level.

The Newsoll, taken last weekend, reveals 63 per cent back Mr Abbott muscling up to Mr Putin, while 27 per cent are against that strategy.

Last week the Prime Minister sparked a diplomatic storm when he said he would "shut front" the Russian leader if he

NEWSPOLL

PRIMARY VOTE	Sep 19-21	Oct 17-19
COALITION	41	38
LABOR	34	34
GREENS	11	14

BETTER PM	Abbott	Shorten
Abbott	41	39
Shorten	37	38

ABOTT CONFRONTING PUTIN	Total in Favour	Total Against	Uncommitted
Total in Favour	63	27	10
Total Against	27		
Uncommitted	10		

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attended the G20 leaders' summit in Brisbane and they would have a "robust conversation".

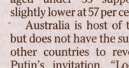
Mr Abbott had majority support across all demographic groups, with the strongest backing from men, older voters and Coalition supporters.

The poll found 66 per cent of men favoured the Prime Minister's approach but 25 per cent were against. Sixty per cent of women backed the tough talk, with 30 per cent against.

Among Coalition voters there was overwhelming support of 80 per cent for Mr Abbott's language. Among Labor supporters it was a slim majority of 51 per cent in favour of the Prime Minister's position and 40 per cent against. More than 65 per cent of voters aged over 35 backed Mr Abbott confronting Mr Putin, while among voters aged under 35 support was slightly lower at 57 per cent.

Australia is host of the G20 but does not have the support of other countries to "look Mr Putin in the invitation. "Look, I'm... Continued on Page 2

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'Al Capone' style tactics to target hate preachers

EXCLUSIVE

CAMERON STEWART

AUSTRALIA will seek to shut down Islamic extremists and hate preachers by catching them on other offences, if they cannot be prosecuted under terrorism laws.

The multi-agency push will try to nab extremists in Australia on tax, immigration, finance or social security fraud if their radical activities do not meet the threshold required for prosecution under the country's terror laws.

The same concept was famously used to catch notorious Chicago gangster Al Capone, who was ultimately jailed in 1931 on charges of tax evasion rather than for his role as a crime boss suspected of murdering his rivals.

The move reflects growing frustration that pro-jihadist extremists in Australia are evading terror prosecutions by deliberately walking a fine line between what is legal and illegal while still successfully grooming young Muslim men to embrace radical ideologies. "We will be looking at a range of groups involved in what we consider to be borderline activity," a senior security source said.

"We will look at them not necessarily through a traditional law enforcement lens (but through) tax, Centrelink, Customs, Austrac. We may look at disrupting their activities (by) having the tax office or immigration have a look at them."

Offences involving tax, immigration or social security fraud have a lower evidence threshold than those under terror laws, making it easier for authorities to obtain prosecutions.

The Abbott government has said previously it would direct \$32.7 million of its \$630m counter-terrorism package to set up a "multi-agency national disruption group" to try to target extremists but has not revealed how this group would operate.

Authorities in Sydney last month raided the money-transfer business run by Damour Sharrouf, the sister of convicted terrorist Khalid Sharrouf, amid fears it was being used to funnel money to Australians fighting with Islamic State.

Also last month, Queensland man Omar Sucaireh was charged with funding the Syrian

'Combat jihadis with drones and special forces'

BRENDAN NICHOLSON
DEFENCE EDITOR

AUSTRALIA needs to develop a comprehensive strategy to fight a long, savage war against terrorism by using armed drones and specialised forces trained to support nations under threat from radical Islamists, says former army chief Peter Leahy.

The former lieutenant-general has produced a lengthy paper providing answers to some of the issues he raised in *The Australian* in August when he warned that Australia was ill-prepared for a war against Islamic terrorism that could last 100 years.

Now director of Canberra University's National Security Institute and a member of the Abbott government's team carrying out a comprehensive review of Defence, Professor Leahy said politicians needed to "develop an honest and frank dialogue" with the Australian people, to warn them of the protracted battle ahead.

"They should advance a narrative that explains that radical Islamism and the terrorism it breeds at home and abroad will remain a significant threat for the long term, it will require considerable effort, the expenditure of blood and treasure, and it will, of necessity, restrict our rights and liberties," he says.

"Australia is involved in the early stages of a war which is likely to last for the rest of the... Continued on Page 6

terror group Jabhat al-Nusra, while Melbourne man Hassan El Sabsabi was charged with funding an American jihadist to fight with al-Nusra.

The multi-agency disruption group will target radical organisations, such as Melbourne's al-Furqan Islamic Centre, that preach pro-jihadist rhetoric to vulnerable young men but which... Continued on Page 6

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'Captain' Joko calls all Indonesians on board



Prime Minister Tony Abbott and new Indonesian President Joko Widodo at the President's inauguration yesterday

PETER ALFORD
JAKARTA CORRESPONDENT

INDONESIA'S new leader Joko Widodo has completed a remarkable journey from riverside slum to presidential palace, marking his inauguration by inviting citizens to "come aboard the ship of Indonesia" and promising to restore the country's maritime power.

Mr Joko, 53, described by Tony Abbott as "a charismatic and inspirational figure", will waste no time as the country's seventh President and is expected to announce his cabinet as early as tonight.

Yesterday, he journeyed in a horse-drawn carriage from his inauguration at the national parliament to the presidential palace, the route thronged by thousands of joyous Jakartans who helped elect him for five years on July 9.

The recent Jakarta governor and former furniture exporter is the first non-political insider to take the nation's helm since Reformasi in 1998.

He was welcomed at the palace by Susilo Bambang Yudhoyono, whose two terms in office saw Indonesia and Australia draw closer than at any time since the republic's foundation in 1945.

Mr Abbott attended the inauguration ceremony with the leaders of Malaysia, Najib Tun Razak, and Singapore, Lee Hsien Loong, as well as US Secretary of State John Kerry, with whom he later had a bilateral meeting to discuss the war with Islamic State among other issues. The Prime Minister was expected to have a private meeting with Mr Joko late last night.

Mr Abbott was optimistic the bilateral relationship with Indonesia, disrupted recently by... Continued on Page 6

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Judge rejects Palmer's halt bid - now for the case

HEDLEY THOMAS
NATIONAL CHIEF
CORRESPONDENT

THE judge who will rule on claims that Clive Palmer acted dishonestly by using \$12 million of China's money to bankroll his political party and his private company has thrown out the

tycoon's legal bid to stop the case. Queensland Supreme Court judge David Jackson, in an 18-page judgment in Brisbane yesterday, said a legal action brought by a Chinese state-owned company was not improper, and there was "nothing fictitious" in the evidence.

Justice Jackson, who reviewed many documents relating to the

case, including bank statements and once-confidential evidence, said Mr Palmer on August 5 last year "drew a cheque on the bank account for the sum of \$10m", payable to his own company, Cosmo Developments Pty Ltd.

Mr Palmer controlled the National Australia Bank account called Port Palmer Operations and holding \$23m deposited by

Chinese company Citic Pacific for costs in the operation of a remote port for iron ore exports. It had a balance of \$12,117,638 at the time of the \$10m withdrawal.

Justice Jackson said: "On September 2, 2013, the first defendant (Mr Palmer) drew a cheque on the bank account for the sum of \$12,167,065.60 payable to Media Circus Network Pty Ltd."

The two large withdrawals in the lead-up to the September 7 federal election, in which Media Circus Network managed the costly advertising campaign for the leader of the Palmer United Party, are at the heart of a Supreme Court "breach of trust" case... Continued on Page 4

COMMENT P4

FUTURE OF RESOURCES

What happened to the mining boom?
Where do our strengths in the sector now lie?
How is technology changing the face of mining forever?

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Labor's \$1.5bn program failing on jobs

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communities working and engaged and expect to be in a position to make announcements about future directions in the near future," he said.

The changes will be made separately to consideration of the Forrest review, but the recommendations from Mr Forrest's report will inform the thinking of the changes.

The Forrest review called for many substantial changes, including the introduction of a national "healthy welfare" card, a significant reduction in the number of income-support payments, and bans on young people accessing welfare unless they are training or in work.

Mr Penfold, who sits on Tony Abbott's indigenous council, said it was refreshing to see a focus on outcomes driving government funding decisions.

"If good intentions are coupled with a focus on inputs and process instead of hard outcomes, all we do is perpetuate the problem and it is precisely this approach over decades that has led many Australians to think nothing works," Mr Penfold said. "We want to change things and achieve things and make a difference, not simply look busy and make lots of noise and focus on inputs and process. That's why we strongly support the idea of funding based on outcomes."

Mr Penfold said wastage in indigenous spending over the past 20 years was notorious.