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REPORT INSISTS BE

Labour to hit

LAUREN WILSON

WATER Minister Tony Burke has defended the government's unprecedented \$8.9 billion push to divert water from farmers in the Murray-Darling Basin to the environment as necessary to save the nation's food bowl, despite evidence the plan could cause significant damage to regional communities.

The draft plan, set to be released in Canberra this morning by Murray-Darling Basin Authority chairman Craig Knowles, will seek to restore the basin to health by diverting 2750 gigalitres of agricultural water to the environment by 2019 through a mix of buybacks and infrastructure projects, with 1282GL having already been bought since 2009.

But the long-awaited proposal has attracted sharp criticism from the Greens, the opposition and conservationists, as well as irrigator groups who claim the MDBA's research was inadequate and the plan would still cost thousands of jobs, put pressure on food prices, and threaten family farms and regional communities.

South Australian Premier Jay Weatherill also flagged a High Court challenge, calling the plan "inequitable" and declaring he would not accept any cuts to water entitlements from the Murray.

Pre-empting a "vigorous and diverse" debate, Mr Burke said he was determined not to "stand idly by while the system enters the next drought already in a poor state of health". "Murray-Darling Basin reform has been put in a too-hard basket for too long, the process of restoring our rivers to health has been caught in a deadlock between states," he said.

The socio-economic analysis included in the draft acknowledges that a reduction in irrigated production from buybacks could have flow-on economic effects on communities.

It also cites research that a loss of social effects, including job loss, a change in community identity and increased health problems.

"While irrigators will benefit from the water they choose to retain, the consequent reduction in irrigated production will have flow-on economic effects on communities."

NBN co

EXCLUSIVE

ANNABEL HEPWORTH

CAPITAL spending on National Broadband Network will top \$50 billion, more than expected, despite digital video content risk the financial return on ultra-fast network, report to Labor states. The Australian government has

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OUT & ABOUT

Edited by Sallie Don
Full reviews of new films will appear in
The Weekend Australian on Saturday

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A transformation from within

FOR Nathaniel Kiwi, everything revolves around actor Stephen Curry. Starting his career as an actor, moving on to writing before directing and now painting, Kiwi says his art reflects the many transformations of his career. One of his early paintings was a portrait of his friend, Curry, who starred in Kiwi's short film, *Pig Latin*. He entered the Archibald Prize a few years ago and the experience reignited his love for creating art. *The Love Jungle* is Kiwi's latest collection of works at Sydney's Iain Dawson gallery, showing until December 3. He says the large, colourful, immersive oil paintings are a celebration of personal growth and fertility. *Metamorphosis — Winter* (pictured) represents not only the change in season, but the transformation within himself and his peer group. "There's a lot of change going on. A lot of my friends are having kids and coming into their own." While Kiwi is content to focus on his painting, he says his other creative pursuits are "only lying dormant at the moment".

SALLIE DON



to swoop ard's last n falters

INSIDE

KEVIN RUDD has let the cat out of the bag. He views party reform as both Labor's strategy for political survival and his ticket to political revival.

PETER VAN ONSELEN 74



to win up at the next election against the Labor, several polling revealed a coalition would do the job if Labor vote increased to 32 per cent.

In the most recent Newspoll breaking down the five mainland states, Labor's primary vote in Victoria was 32 per cent — the strongest in the country — with South Australia second at just 28 per cent.

The July to September survey period put the Coalition at 44 per cent, the second worst Liberal/Nationals result, just a point ahead of South Australia.

Both Chisholm and Bruce have recently been surveyed by the Liberal Party. The polling found primary Liberal vote support running at 48 per cent in Chisholm while Labor support in that seat is down 10 points since the last election to 34 per cent.

In Bruce, the Liberal Party returned a 50 per cent primary vote as the lead-up to the carbon tax vote.

The polling, conducted before Peter Slipper's defection from the Liberal National Party to become the Speaker, suggests that it is a senior party

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n signals deeper as markets sink

NICHOLSON

Mr Swan has vowed to meet Labor's 2012-13 target after the market turmoil blew a hole in capital gains tax.

Treasurer has drawn criticism for cutting into at a time when the economy is being buffeted by national events such as open sovereign debt.

Prime minister Paul Keating yesterday said Europe's economic problems represented a crisis of my lifetime.

The Ten Network's *Merit* is "the whole thing's going in a hand basket".

h the government's crucial year Economic and Fiscal Outlook due to be released this week.

Mr Swan revealed that if gains tax income would be \$7bn over the four years ended by the forward estimates issued to forecasts at the time.

of the May budget. In his latest economic note, Mr Swan said government revenues were down by \$130bn over the five years to 2012-13 from forecasts before the global financial crisis.

The MYEFO is expected to show a significant blow-out in the 2011-12 budget deficit to about \$30bn — from the May forecast of \$22.6bn. An estimated \$3bn deterioration in the budget in 2012-13 means the government will have to find significant cuts to deliver its promise of a return to surplus, forecast at \$3.5bn in May.

Access Economics director Chris Richardson said last night now was not the time for the government to look at pulling back on spending, given the "fragile" outlook for the global economy.

But Mr Richardson said government spending needed to be a good use of taxpayers' money. "I'm not saying that you can ignore the budget, but what I am saying is that you can't ignore the global economy."

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BUSINESS PD
DAVID UREN PD

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