



THE AGE

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TRUMP v THE PRESIDENCY

His first year in office **WORLD**

Dastyari 'pressured' Plibersek on China

Fergus Hunter
Nick McKenzie

Embattled Labor senator Sam Dastyari attempted to pressure Deputy Opposition Leader Tanya Plibersek to abandon a meeting with a pro-democracy activist opposed to Beijing's interference in Hong Kong, according to multiple sources who say the 2015 intervention surprised Ms Plibersek.

The incident has prompted concerns about the motive behind Senator Dastyari's decision to approach Ms Plibersek's office, Fairfax Media has been told by three sources familiar with the matter, following other revelations concerning his links to Chinese Communist Party-aligned interests in Australia.

In January 2015, Ms Plibersek, who was Labor's foreign affairs spokeswoman at the time, went to Hong Kong for a visit that included a meeting with Joseph Cheng Yusheng, a prominent academic with Australian citizenship who has drawn the ire of Beijing-aligned forces.

Senator Dastyari was on a China trip at the same time paid for by an organisation controlled by Communist Party-aligned Labor and Coalition political donor and businessman Huang Xiangmo.

A spokesman for Senator Dastyari rejected the claims as "complete rubbish".

"It simply did not occur," the spokesman said.

However, multiple sources say Senator Dastyari repeatedly attempted to warn Ms Plibersek that her meetings in Hong Kong would upset figures in the Chinese

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SHORTAGES AHEAD



Victoria's infrastructure boom will come at a cost, with shortages of both skilled labour and raw materials looming. Victorian Treasurer Tim Pallas speaks exclusively to **Peter Martin**.

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Photo: Jessica Shapiro

The rise and rise of the donut king

Adele Ferguson
Sarah Danckert

Tony Alford first shot to international attention in 1998 over his role in the messy business affairs of Michael Hutchence.

As the accountant for the INXS frontman, Alford and other advisers were at the centre of accusations by members of Hutchence's family that the rock star's estate was missing millions of dollars after his death in 1997. The case was defended and later discontinued.

The sensational allegations made headlines again this year following a leak of millions of sensitive documents, known as the Paradise Papers. Alford was again in the thick of it.

But Alford's business interests extend well beyond advising high-profile clients on tax. In the intervening years the 58-year-old has spent much of his time running franchise behemoth Retail Food Group, a Gold Coast-based company spanning 2500 franchises through brands such as Brumby's, Pizza Capers, Gloria Jeans, Michel's Patisserie and Donut King.

A Fairfax investigation into RFG published on Saturday revealed hundreds of stores operating under the RFG umbrella have gone under in recent years while at least another 200 have been put up for sale or about to go on the market.

A difficult retail environment has contributed to the demise of many stores but the investigation also revealed hard-nosed business practices imposed by the RFG head office including fee gouging, churn and excessive cost cutting.

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WEATHER

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ODD SPOT

Richard Klose has won a seat on Montana's Laurel city council - without running for it. No one else ran for the position so, out of the 52 votes cast, three people liked him enough to put his name on the ballot paper as a so-called write-in candidate. Mr Klose, 74, said he had time to give back to the community "so that's what I'm going to do".



Business

How a deal with Murdoch could make or break Disney
JOHN MCDULING
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GONSKI 2.0

School funds stoush set to escalate

Peter Martin

Some Catholic and independent private schools are set to get more than 100 per cent of their funding needs met by governments under the Coalition's 'Gonski 2.0' plan, official documents released under Freedom of Information show.

Obtained by the Australian Education Union and processed by the convener of the Save Our Schools campaign, Trevor Cobbold, the Education Department documents spell out the amount of government funding expected for each school sector in each state in 2018.

In NSW 110 private schools are expected to receive more than 100 per cent of the so-called schools resourcing standard from governments, up from 65 schools in 2017. By 2027 when the Gonski arrangements are fully implemented, 212 private schools will receive more than their total needs from governments.

In Victoria, 38 private schools will receive more than the resourcing standard from governments, up from 33 in 2017. When Gonski 2.0 is fully implemented 74 will receive more than all their needs from governments.

The Gonski 2.0 package will eventually give each private school 80 per cent of the resourcing standard in Commonwealth grants. It will give public schools 20 per cent of the standard.

Education Minister Simon Birmingham said states were free to boost funding to their own schools and cut funding to private schools. "Our reforms are a line in the sand for the cost-shifting and blame game," he said.

"Our plan means every student will get their fair and consistently calculated share of federal support. The new independent National School Resourcing Board

will ensure education authorities are held to account for the way they administer federal taxpayer investment."

In NSW one quarter of independent schools and one fifth of Catholic schools get more than 20 per cent of their funds from the state government, meaning that unless the state government cuts their grants, they will be more than 100 per cent government funded by the time the Gonski target is reached.

The base amount for the Schooling Resource Standard is set at \$10,953 for primary students and \$13,764 for secondary students in 2018. Most independent schools receive a lower amount, depending on the socioeconomic status of their students and the anticipated capacity of their school community to financially contribute to the school's operating costs.

They are able to charge fees to parents on top of the government funding.

In Victoria one fifth of Catholic and independent schools get more than 20 per cent of their funds from the state, meaning about one fifth will be overfunded by the time the Gonski 2.0 targets are reached.

The Gonski 2.0 formula will result in a loss of income for some well funded private schools, but will increase the number of overfunded private schools. In most states public schools are funded at less than 80 per cent of the resources standard by the governments that operate them, meaning that although Gonski 2.0 lifts Commonwealth funding to 20 per cent they will continue to get less than 100 per cent of the standard. NSW public schools would get 91 of the standard, Victorian schools would get 86 per cent.

Mr Cobbold said Gonski 2.0 was the best special deal that private schools have ever had.

Iraqi forces have recaptured the last areas that were still under IS control. Photo: AP



Australians to stay in Iraq

Adam Gartrell

Australia will maintain a military presence in Iraq well into 2018 as local security forces continue their fight against Islamic State insurgents who have escaped capture.

Iraqi Prime Minister Haider al-Abadi declared victory over the extremist group at the weekend, three years after IS first stormed the country and seized a third of its territory.

The declaration came after Iraqi forces recaptured the last areas still under IS control along the border with Syria. But while the territorial battle is over, coalition

security forces now expect the group's remnants to engage in a new phase of deadly guerilla warfare.

Prime Minister Malcolm Turnbull congratulated the people of Iraq and their security forces for their "courage and determination".

"The liberation of Iraqi cities and towns from ISIS control has saved countless lives and ended a pattern of terror, anguish and murder," Mr Turnbull said.

"Their bravery in the face of unimaginable brutality has made the region and the world a safer place by robbing terrorists of their narrative of invincibility."

Australia has made a significant

contribution to the fight, deploying hundreds of troops who have been focused primarily on training local troops and police. The Australian Defence Force has also contributed to air strikes against IS targets in Iraq and neighbouring Syria.

Australia's sixth rotation of about 300 troops - along with 100 New Zealand troops - deployed to Iraq in recent weeks and are scheduled to remain there until the middle of 2018. There are no plans to shorten Task Group Taji 6's deployment but Australia will now enter talks with Iraq and coalition partners about the road ahead.

"While today's announcement by the Iraqi government is an

Fresh heat on Dastyari amid claims he pressured

From Page 1

community in Australia. They say he left messages on her phone and contacted her office multiple times.

Senator Dastyari was unable to reach her directly as she had left her mobile phone at home, a security precaution parliamentarians have been advised to take when travelling to Chinese territory.

It is understood his messages were passed on to her.

Fairfax Media understands that Senator Dastyari's calls to Ms Plibersek and her office followed a separate representation from then

Chinese ambassador to Australia, Ma Zhaoxu.

Sources said the Chinese ambassador issued a separate warning to Ms Plibersek about her plans to meet activists in the semi-autonomous city.

There is no suggestion Senator Dastyari's approach to Ms Plibersek was connected to the approach by the Chinese ambassador.

One suggested explanation is that Senator Dastyari contacted Ms Plibersek's office after receiving an enquiry from a Sydney Chinese-language media outlet that was doing a critical story on her meetings. Asked about this, Senator



Senator Dastyari: Under fire again

Dastyari's office declined to provide details of any media enquiry or a resulting story.

Several Chinese-language media outlets in Sydney are close to the

Chinese consulate and embassy and run columns by Mr Huang or support his work as a community leader.

Ms Plibersek ignored the warnings from the ambassador and senator and proceeded with her plans. It is understood she has privately told colleagues she was surprised by her Labor colleague's approaches. One Canberra source said the representations only strengthened Ms Plibersek's resolve to meet with Mr Cheng.

Ms Plibersek declined to speak about the incident.

"Ms Plibersek's itinerary in Hong Kong, including a meeting with a prominent pro-democracy activist, went ahead precisely as scheduled -

I think that speaks for itself," a spokesman for the Labor frontbencher said.

Variations of the story revealed by Fairfax Media have been circulating in Canberra circles for some time. A senior figure in Labor's left faction, Ms Plibersek has publicly called for freedom of expression to be protected in Hong Kong.

It is believed she was concerned about how the Chinese ambassador knew who she was meeting with because she had kept her itinerary private and taken counter-surveillance precautions.

The revelations about another Senator Dastyari intervention in



Labor plans to expand state HIV drug trials

Adam Gartrell

People at high risk of HIV would be given cheap access to a breakthrough preventative medicine under a federal Labor plan to make Australia the first nation in the world to win the fight against the virus that causes AIDS.

The opposition's \$53 million plan would dramatically expand state trials of the drug PrEP until it is approved for a federal subsidy, increase funding for HIV peak bodies and tackle rising transmission rates in Aboriginal communities.

Opposition health spokeswoman Catherine King will announce the package – which aims to bring the number of new HIV cases down from about 1000 a year to almost zero – today, promising to deliver it if Labor wins the next election.

The plan draws from a blueprint developed by the Australian Federation of AIDS Organisations, which says the investment will eventually deliver \$2 billion worth of savings to the federal budget through lower health costs.

Under the plan, state and territory PrEP trials will be expanded to an extra 17,500 people – allowing them to pay as little as \$6.30 for a



Catherine King: health plan

drug that can cost up to \$1200.

Federal health authorities are considering listing PrEP – commonly known as Truvada – on the Pharmaceutical Benefits Scheme. However a listing has been repeatedly delayed because of cost concerns.

HIV advocates say the antiretroviral drug is so popular among gay men – the people most likely to contract the virus – it could slash the number of transmissions across the country. It is up to 99 per cent effective in preventing HIV infection.

Melbourne man Chris Williams has been using PrEP for nearly three years. He originally went through the daunting and anxiety-inducing process of importing it from overseas before managing to

get on a government trial.

“It was a no-brainer. Why wouldn't I take this pill that ensures I am protected, all day every day, around the clock, no matter what happens?” he said.

But Mr Williams' trial is scheduled to end next year, leaving him and many others like him in an uncertain position. In the absence of a PBS listing, extending and expanding those trials is a “good solution”, he says.

Labor's package would also restore \$10 million a year to HIV peak organisations such as the AFAO and commit \$3 million a year to reach, test and treat “hidden” pockets of the disease, including among Aboriginal people and non-English speaking migrants.

Darryl O'Donnell from AFAO said Labor's package would help groups like their's “go the extra mile” towards ending HIV transmission. The Turnbull government has also been presented with the AFAO blueprint but is yet to commit to funding it.

The main method of HIV transmission in Australia is sexual contact between men, which accounts for 68 per cent of notifications. At the end of 2015, an estimated 25,313 people had HIV in Australia.

despite victory

historic moment, Iraq's liberation does not mean the fight against terrorism and ISIS in Iraq is over,” Mr Turnbull said. “ISIS fighters who escaped capture will seek to conduct an insurgency to continue their legacy of death and destruction. The biggest challenge is to bring security, peace and unity to all Iraqis through inclusive, representative democracy and political equality.”

Mosul, Islamic State's de facto capital in Iraq, fell in July after a gruelling nine-month campaign backed by a US-led coalition that saw much of the northern Iraqi city destroyed. Islamic State's Syrian capital Raqqa also fell to a US-backed Kurdish-led coalition in

September. The group was then squeezed into an ever-shrinking pocket of the desert along the border.

Islamic State leader Abu Bakr al-Baghdadi released an audio recording on September 28 that indicated he was alive, after several reports he had been killed. His followers imposed a reign of terrorism on the populations they controlled, alienating even many of those Sunni Muslims who had originally supported the group.

The war has had a devastating impact on the areas previously controlled by the militants, with more than 3 million people still displaced, according to the United Nations. With Reuters

Costello warns of risk to surplus

Peter Martin

Former Treasurer Peter Costello has warned the Turnbull government not to do anything in the upcoming financial statement or budget that would endanger a return to surplus.

Mr Turnbull has spoken of tax cuts in the May budget, funded by what is likely to be an improved position in the mid-year budget update to be released next week.

In a forward to a Centre for Independent Studies report on budget policy to be released today, Mr Costello says that since he signed off as Treasurer in John Howard's government in 2007, Australia has had 10 years of budget deficits. Before that it had

had 10 years of surpluses. All of the debt that he paid off as Treasurer “has been borrowed again”.

“People often ask whether it was worth paying off the debt given that subsequent governments have gone out and borrowed it all back,” he writes. “The only answer I can give is to say: just imagine where we would be if we hadn't paid off that debt?”

“Sure, subsequent governments have piled on debt, but if we hadn't got the Commonwealth debt-free, they would have piled debt on pre-existing debt rather than debt against a strong asset position.”

The Centre for Independent Studies report by senior fellow Robert Carling concludes that the goal of achieving a balanced or surplus budget over the economic

cycle “is clearly not being achieved”. “Expenditure policy amounts to little more than governments spending more; and any strategic purpose and reform theme in tax policy has given way to piecemeal and politically opportunistic tax increases,” it says.

The report echoes concerns expressed in a Parliamentary Budget Office analysis that the budget is too fragile to justify giveaways such as unfunded tax cuts.

It says the government's projections are based on the untested assumption that economic growth will climb to around 3 per cent and stay there indefinitely.

Mr Costello said the days of balanced budgets were remembered “not as a horror time, but as a period of great success”.

Plibersek to abandon Hong Kong meeting

Australian-Chinese relations come as Attorney-General George Brandis seeks to have him scrutinised by a parliamentary committee following a string of damaging missteps with figures linked to the CCP.

Two weeks ago, Fairfax Media revealed he had given counter-surveillance advice to Mr Huang in a face-to-face meeting at the Chinese community leader's home, telling Mr Huang his phone was likely bugged by intelligence services and directing him to conduct a conversation outside.

Fairfax Media also uncovered and released audio of a June 2016 press conference Senator Dastyari gave

alongside Mr Huang in which the senator backed Beijing's position in the South China Sea. Senator Dastyari's comments contradicted Labor policy on the issue.

Senator Dastyari told the Chinese-language-media-only press conference that Australia should know its place and observe “several thousand years” of history in respecting China's claim in the disputed territory.

The day before, Labor's then defence spokesman Stephen Conroy had criticised China's “absurd” claims and said a Labor government would conduct freedom of navigation exercises through the area.

Until the audio was released, Senator Dastyari had sought to downplay previous reports of his comments on the basis they had been misreported or he had misspoken.

Opposition Leader Bill Shorten then stripped Senator Dastyari of various parliamentary responsibilities, criticising his “mischaracterisation” and saying he no longer trusted his judgment.

But the Labor leader has pushed back against calls for his factional ally to leave Parliament entirely. This is the second time Mr Shorten has demoted Senator Dastyari, having taken him off the frontbench in late 2016 following the initial revela-

tions about his dealings with Mr Huang. Labor figures are divided about whether the right faction powerbroker should resign from the Senate, with senior figures from the right faction in Victoria pushing for his demise while he retains backing from NSW Labor leaders.

In making the case for new laws to counter foreign interference in Australia, Prime Minister Malcolm Turnbull has targeted Senator Dastyari as a “classic case”.

“You see with Senator Dastyari a very clear case of somebody who has taken, literally taken money from people closely associated with the Chinese government and in return

for that has delivered essentially Chinese policy statements,” Mr Turnbull said on Saturday.

Fairfax Media's revelations suggest Senator Dastyari has been willing to agitate inside the party for a more pro-Beijing approach on top of publicly advancing positions out-of-step with policy. One Labor source told Fairfax Media that Senator Dastyari always had a strong view about Labor's engagement with China and would use any opportunity to push it internally.

The Chinese embassy did not respond to a request for comment.

TONY WALKER Page 19

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