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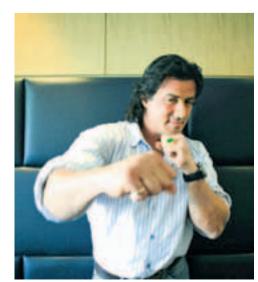


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(ABN 85 004 262 702), 250 Spencer Street, Melbourne 3000

Published on www.theage.com.au; selected articles reproduced in the print editions of The Age



 $Election \ day \ grimace \dots \ John \ Howard \ leaves \ a \ polling \ booth \ near \ Sydney \ after \ casting \ his \ vote.$ 

## Howard's end

Kevin Rudd
ensured a
humiliating
denouement to
John Howard's
political career,
writes **Tony** 

Wright.

longest serving Prime Minister, started losing, continued losing and ended losing more than anyone might have predicted — his prime ministership, his government and his own seat of Bennelong.

A new leader of the Australian Labor Party,

「WAS the year that John

Howard, Australia's second-

Kevin Rudd, won everything.

In an era in which Australian election campaigns have become overwhelmingly

campaigns have become overwhelmingly presidential, almost the entire year was dominated by these two men.

By the time Howard finally announced a six-week election campaign to climax at the ballot boxes on November 24, it was a relief to many Australians, because the nation had been subjected to an unofficial election campaign that had stretched over most of the

year. Rudd had been Labor leader for less than a month when the calendar clicked to New Year's Day 2007 – the latest in a line of leaders Labor had chosen and rejected in a fruitless attempt to unseat Howard's Coalition Government.

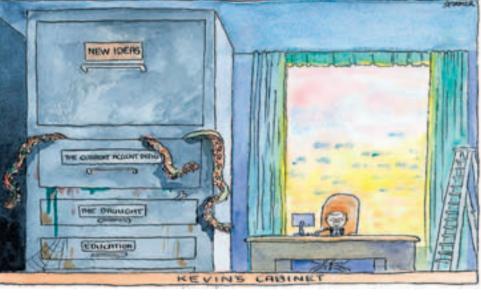
Few observers believed Rudd had the time or the political horsepower to make significant inroads into the Howard Government's lead. After Mark Latham's loss at the 2004 election, Labor had to win a minimum of 16 seats to win government, assuming it lost none. The ALP had begun the term a shambles after Latham stormed out of the leadership soon after the 2004 election, quit the party and published his poisonous diaries.

And here was Rudd, little known to many voters, expected to get the party back into the game in under 12 months.

To the mounting disbelief and eventual

horror of Howard and his Coalition, Rudd proved a hit with voters from the start. His predecessor, Kim Beazley, had started to improve Labor's position in the published polls, but the willingness of Labor to replace him made clear that the majority of the party did not believe he could wear down Howard.

Rudd, it suddenly seemed, was the Labor leader voters had been waiting for. He was 18 years younger than Howard, was something of an intellectual who spoke Mandarin, and had devoted part of his life to international affairs and the other part to hard-nosed bureaucratic management. He was unlike any previous Labor leader. His wife, Therese Rein, was a multi-millionaire businesswoman, and although Rudd professed to be from a poor rural background, he spoke with the accent of the educated class and declared himself an economic conservative.





A loner and committed Christian, he was not much personally liked by many of his Labor colleagues, but it proved a benefit. He was free to plot his own course and demand discipline without being forced to do the bidding of the party's old factions, because he was Labor's last chance. And when it turned out he had the mysterious ability to connect with voters across the spectrum, his colleagues gave him all the latitude he demanded.

Furthermore, he had hammered out an understanding with the left's Julia Gillard: she would be his deputy. Together, they made a formidable team, pulling together the different strands of the party, attracting young voters and harnessing both men and women to the Labor cause.

Importantly, Howard had already presented Labor – and thus Rudd – with two gifts that would turn out to be priceless.

When Howard defeated Latham in 2004, the victory was so great it granted the Government control of both the House of Representatives and the Senate. Howard warned his colleagues about hubris and using government power in the Senate unwisely, and then could not resist pushing through radical industrial relations reforms – a package he called WorkChoices, which decisively shifted the workplace balance from workers to bosses.



Clockwise from left: New Liberal leader Brendan Nelson and his deputy Julie Bishop (picture: GLEN McCURTAYNE); Spooner's view; Tandberg's view.

It proved an easy target for a concerted attack by the ACTU, and quickly became unpopular across the community, including in the key demographic known as "Howard's battlers" – aspirational voters who had switched allegiances years previously from Labor to Howard's Coalition.

Howard's second gift to Rudd was his continuing refusal to hand over the reins of power to his Treasurer, Peter Costello – who was exactly the same age as Rudd. Costello had waited impatiently for years, but according to those closest to Howard, the ageing prime minister had decided that he would finally bow to the need for generational change in 2006.

At the last minute, he baulked, apparently because he felt Costello and his supporters had pushed too hard.

Thus, Howard, burdened by the increasingly unpopular WorkChoices, apparently out of new ideas – and lagging way behind a community upsurge in concern about climate change and Australia's role in the continuing war in Iraq – found himself up against a younger contender who claimed to be brimming with fresh ideas and who the electorate quickly showed itself ready to embrace.

In fact, Rudd was in no hurry to detail a fresh agenda. He vowed to abolish Work-Choices, declared himself the champion of an education revolution, made clear he would sign the Kyoto Protocol in an effort to get Australia back into the international debate about climate change, and said he would withdraw Australia's combat troops from Iraq.

But he had obviously studied Howard's strategy of 1995 and 1996, when Howard had become Liberal leader with little more than a year to defeat the Keating Government. Howard had happily risked being called a "policy-free zone" and had simply established himself as an alternative to Keating by making vague statements about Liberal policy, refusing to engage or oppose when Keating introduced policies that were potentially popular, and promising to turn back the tide on "political correctness". Essentially, Howard had allowed voter disenchantment with Keating to do much of his work

Rudd employed very similar tactics in 2007. He infuriated the Howard Government by agreeing with large slabs of Coalition policy – to the point that he became known as "little Lord Echo", and was accused throughout the year of "me-tooism". It suited Rudd to be accused of agreeing with the Howard Government on economic issues, because the Government had always scored high points with the electorate on economic management. Rudd simply helped himself to a slice of this approval, and used it to underline his claim to economic conservatism.

The strategy worked a dream. Newspaper poll after newspaper poll confirmed that Labor maintained a handy lead over the Government. Indeed, with the inevitable exceptions of the occasional poll spike or dip, the trend of all polls charted a steady 7 to 10-point gap between Rudd's Labor and Howard's Coalition on a two-party preferred basis. The trend set in around March and hardly budged, clear to election day.

The Government spent the first part of the year relying on the belief that Peter Costello's May Budget would throw Rudd Labor out of the saddle. Indeed, when it finally appeared, the Budget was hailed by commentators as a brilliant piece of work that lavished tax cuts and spending on virtually all sectors of Australian society while delivering a healthy \$10.6 billion surplus and remaining affordable and responsible.

It failed to throw Labor off its stride. The expected poll bounce for the Government did not eventuate, and Rudd and his shadow treasurer, Wayne Swan, even praised sections of Costello's work.

On June 21, Howard and his Indigenous Affairs Minister, Mal Brough, declared Australia could no longer ignore the shame of sexual abuse against children in indigenous communities. They ordered an unprecedented intervention by medical teams, the military and federal law into the Northern Territory's Aboriginal communities. Despite unease in some Labor hearts, Rudd professed support for the intervention.

In August, a sensational newspaper article accused Rudd of having visited a New York strip club while drunk four years previously. There was no discernible voter backlash – not even from the conservative Christian community that Rudd had so carefully wooed. Some observers believed he had actually gained credibility among young males who

continued page 6

**DECEMBER 30, 2007** 

By September, Howard knew he was in so much trouble that he asked trusted lieutenant Alexander Downer to consult fellow Cabinet ministers about his standing as leader. When Downer reported back that the majority thought the situation was so dire that Howard ought to consider standing aside for Costello, Howard refused to go.

In desperation, Howard announced that he would remain prime minister for some unspecified time after the election, then hand over to Costello. It was a tactic designed to offer voters the best of both worlds, but it was a giant mistake. Howard had made himself a lame duck, and Costello remained widely unpopular.

The election campaign – a tightly controlled, cynical exercise in contrived photo opportunities and little serious policy illumination on behalf of both the Labor Party and the Government – thus became something of a formality, even though Rudd Labor needed one of the biggest swings in Australian political history to win. The Government suffered the ignominy of an interest-rate rise (the sixth since the previous election) smack in the middle of the campaign.

A peculiar feature of Australian elections is that the official party campaign launches do not occur until close to the end of the campaign (it allows the parties to bill most of the cost to taxpayers). Here was the final denouement. Howard held his campaign launch first, and promised a massive \$9 billion, most of it to families with school-age children. Having started the campaign by promising tax cuts of \$34 billion, this last-minute spending campaign was breathtaking. It also proved worrying to voters concerned about public money fuelling higher inflation and forcing even more interest-rate increases.

Rudd played it cool. Three days later, he made a virtue out of spending promises worth less than a quarter of Howard's.

And so, on November 24, Kevin Rudd led Labor back to government after almost 12 years in the wilderness.

The voters sent the message that had been percolating for a year: they were tired of Howard and his era, despite record economic growth, plummeting unemployment and relatively low interest rates.

As the year headed to its end, Rudd had presided over his second Cabinet meeting, his ministers were working overtime and bureaucrats were cancelling holidays.

John Howard and his wife Janette had returned to their suburban home in Sydney, Peter Costello was preparing to leave politics along with Alexander Downer – and the Liberal Party had elected Dr Brendan Nelson, a former Labor man, as its new leader.

What a year.

The voters

sent the

had been

Tony Wright is national affairs editor for The Age



### Doctor Who?

The case of Dr Mohamed Haneef was a defining moment for both the coalition government and the media in 2007,

reports Matthew Ricketson.

HE HANEEF case marked one of a series of disastrous missteps for the government in what turned out to be its final year of office, and it put on show journalism at its best, its worst and its murkiest.

The case began on July 2 when the 27-yearold Indian doctor employed at Gold Coast Hospital was picked up by police at Brisbane Airport as he was returning to India on a oneway ticket. He was suspected of involvement in failed terrorist attacks a few days earlier in London and Glasgow because a SIM card from his mobile phone had been found with one of the accused, a second cousin of Haneef named Sabeel Ahmed.

While Haneef was questioned by police and held in detention without being charged for nearly two weeks, information was leaked to the media suggesting he might be orchestrating an underground network of terrorist cells.

The media failed to report information that contradicted this, such as how Haneef had sought permission from his supervisor at the hospital to take a week's leave - hardly the actions of a fugitive.

"The politicians and the police reckoned they had caught a real terrorist. In hindsight, I suspect many of us wanted to believe it," wrote Hedley Thomas, a journalist working on the story at News Limited's The Australian.

"Politically, the arrest was fortuitous timing in an election year, and we should have been more cynical about this too," he wrote in The Walkley magazine's August/September issue.

It appeared the then immigration minister, Kevin Andrews, acting with the full backing of John Howard, was revisiting a strategy deployed in the lead-up to the 2001 election, when the government invoked its credentials on national



Main: Dr Mohamed Haneef, right, speaks to the media in Bangalore in July. Chief Minister H D Kumaraswamy (left) of India's Karnataka state looks on. Picture: AP. Above: Former Immigration Minister Kevin Andrews. Picture: BRENDAN ESPOSITO

security after the September 11 terrorist attacks and demonised asylum seekers from overseas rescued the previous month by the Norwegian freighter Tampa.

But what had been devastatingly effective six years before in whipping up public hysteria and wedging the Labor Party withered in 2007 because the prosecution of Dr Haneef was badly bungled, and because the mood of the electorate had changed.

It was Thomas' reporting on July 13 that first raised serious questions about the evidence against Dr Haneef, who was nonetheless charged the following day by the Director of Public Prosecutions (DPP).

Soon, though, a magistrate, Jacqui Payne, granted Haneef bail on the ground that the Crown case was "exceptionally weak".

The case unravelled, with revelations by ABC Radio's Rafael Epstein that the SIM card alleged

to have been at the scene of the failed car bombing was in fact hundreds of kilometres away in Liverpool.

The DPP, Damien Bugg QC, admitted his case was deeply flawed, but laid some of the blame with the Australian Federal Police, which had provided his office with incorrect information.

Despite this, Andrews refused to reinstate Dr Haneef's visa, and although Haneef was eventually released and allowed to return to India to see his wife and newborn child, the minister continued to smear the doctor's reputation and refused to acknowledge what seemed obvious to most: the government's Pdeeply cynical manipulation of a situation for its own electoral advantage.

The journalistic digging that had made the government accountable was offset by stories printed in Sunday tabloid newspapers also owned by News Limited, which falsely raised fears of another September 11-style terrorist attack in which Dr Haneef was somehow in-

Hedley Thomas' outstanding journalism and his honest reflections on the case in The Walkley magazine were partly diminished by a significant error in one front-page story he wrote that was not formally corrected by The Australian

Instead, the Australian Federal Police Chief Commissioner Mick Keelty was quoted as refuting the report in a second news report the following day, on July 24.

This was picked up by ABC Television's Media Watch, which elicited an admission from Thomas, and although the media watchdog praised the bulk of Thomas's reporting – a courtesy it rarely extends to journalists' work - The Australian reacted by upgrading its standard hostility towards Media Watch.

Over the next few months, it devoted four editorials to the program's perceived ills, and three articles written by Caroline Overington attacking it, in particular executive producer Tim Palmer.

On the final Media Watch for the year, on November 5, the program revealed a series of emails between Overington and an independent candidate for the election in the seat of Wentworth, in which the journalist said if Danielle Ecuyer gave her preferences to the sitting member she would be given front-page treatment in The Australian.

The following day, more emails were leaked to the media that showed Overington first openly flirting with another candidate, and then when he would not immediately agree to an interview, threatening to send photographers to stake out his home and office.

By the end of the year, Hedley Thomas and Rafael Epstein had won Walkley awards for their work, Andrews was no longer a minister, the incoming attorney-general, Robert McClelland, was setting up a judicial inquiry into the treatment of Dr Haneef and the federal court had ruled Dr Haneef could return to Australia.

> Matthew Ricketson is *The Age's* media and communications editor

The 40th anniversary of the execution of Ronald Rvan the last man hanged in Australia 4 Mexican waves banned at one-day cricket matches at the

> Sydney power-rock trio Wolfmother wins a Grammy. After six-nation talks

in Beijing, North Korea agrees to nuclear reactor. The country will receive urgently needed fuel oil in

The Age reveals that Victorian police involved in gross misconduct are still on active duty because the State Government has not fixed the police disciplinary system.

17 Lee Freedman becomes the first trainer to win all 25 group 1 races on the Victorian horseracing calendar.

18 Melbourne Victory defeats Adelaide United 6-0 in the A-League grand final at Telstra Dome. 26 Australian-made Happy

for best animated feature film 28 Rock legend Billy Thorpe, lead singer of *The* Aztecs, dies of a

Feet wins the Oscar

28 Roger Federer becomes the No.1ranked player for the 161st consecutive week, eclipsing the record set by Jimmy Connors from July 1974 until

August 1977.

heart attack, aged



Flames bear down on the hamlet of Tolmie, in Victoria's High Country, in early January. "The fire just exploded out of the bush," said a local resident.

Picture: ANGELA WYLIE

## Testing our spirit

And when it finally rained, it poured, writes Simon Mann

HE 'Big Dry' and climatic events were common themes helping define the Australian condition in 2007. The calendar year provides natural bookends of summer and heat, and with them comes the peril of bushfire, but this year that threat extended well into the autumn and was already cranking up again by early spring.

And when rains finally fell, they did so in a deluge that bore witness to Dorothea Mackellar's anthem about a sunburnt country with its "droughts and flooding plains".

With dour understatement, the Country Fire Authority officially labelled 2006-07 "a very difficult fire season". The numbers told why – nine total fire bans and 11 partial bans were imposed throughout Victoria, double the number of the previous year; a mammoth blaze engulfed the Great Dividing Range, burning for a record 69 days straight and charring 1.3 million hectares (an area the size

of Greece); 64,000 calls to the state's bushfire information line were logged, six times more than in previous years.

And by late September, when thoughts were turning to the Grand Final, the spring racing carnival and "schoolies", the heat was searing again, with lightning strikes setting off blazes across the state. Were these extremes the likely result of climate change and a pointer to the future, or just freakish weather? Either way, the bushfire season now seems eternal, and never before have such demands been made of the CFA's 60,000 volunteer army.

Gippsland copped more than its share of heartbreak when floods followed the fires. In fact, June was a cruel month: storms lashed the eastern seaboard, wreaking havoc in the Hunter Valley and central coast of NSW, where nine people died, including a family of five whose car was swept into a ravine when part of the old Pacific Highway collapsed

beneath it. The storms pushed the freighter Pasha Bulker onto Nobby's Beach, near Newcastle, where it remained liked a beached whale for nearly a month.

Within days of the NSW battering, the worst floods in decades left eastern Victoria awash. One man died, hundreds were left homeless, roads were severed and towns isolated after days of torrential rain. Some parts of Gippsland recorded falls of more than 100mm in 48 hours. In November, the rivers swelled again, causing residents in Tinamba and Newry to evacuate their homes for the second time in a year.

Such drama can surely test the human spirit. But sometimes Australians invite such examination, with varying fortunes. An extreme example was lone kayaker Andrew McAuley, who tried to paddle from Tasmania to New Zealand and disappeared, presumed drowned. At 7.15pm on February 9, he was within sight of South Island. But an urgent



Andrew McAuley in training before his ill-fated attempt to paddle in a kayak from Tasmania to New Zealand.





Professor Colin Master ... recognised for his work on Alzheimer's disease. Picture: PAT SCALA



Robert Farguharson ... convicted of the murders of his three sons. Picture: JASON SOUTH

radio plea proved the portent of disaster: "My kayak's sinking. I need a rescue."

While adventurers were pushing the boundaries, Australian scientists were claiming new frontiers. The bionic eye came closer to reality. Within a couple of years, Melbourne's Eye and Ear Hospital is expected to start implanting the microscopic camera device that can restore sight. And at Sydney's Children's Medical Research Institute, scientists made a breakthrough in the study of a substance in cells linked to 85 per cent of cancers. They cracked the makeup of an enzyme (telomerase) that gives cancer cells longevity; the "find" could lead to a single drug to treat almost all tumours, including breast, colon, lung and prostate. And Professor Colin Masters was awarded the Victoria Prize for unlocking some of the mystery of Alzheimer's disease.

Such scientific enterprise was welcome

news for Australians generally – all 21 million of them, the milestone having been reached in June.

The nation's melting pot remains typically cosmopolitan, but debate about Australia's ethnic makeup and how best to accommodate new arrivals came to the fore in September, when Sudanese teenager Liep Gony was bashed to death in Noble Park. The incident and tensions in the south-east Melbourne community appeared to underscore a decision by former Immigration Minister Kevin Andrews to cut Australia's African refugee intake. His reasoning, in part the "inability" of Sudanese people to integrate, was blamed for fuelling riots in which a policeman was injured.

Andrews reiterated the privileges of being Australian when introducing the former government's multiple-choice citizenship test in which migrants and refugees needed to

know the nation's capital, national flower and national anthem, as well as historical pointers and sports trivia.

In its first week of application in October, 297 people sat the test; 51 of them failed.

One of the test's questions is: 'Who do you call the elected head of a state government?' Premier, obviously. In Victoria, it was a title shared by two men in 2007.

In early May, Steve Bracks was trotting the world stage, meeting Californian Governor Arnold Schwarzenegger to discuss climate change, and being seen with officials from New York to London. It turned out to be a farewell tour of sorts – Bracks resigned his office on July 27, after eight years. Deputy Premier John Thwaites also quit. Treasurer John Brumby was named as Bracks' successor. There was speculation that son Nick's late-night drunken car crash a few days earlier was a tipping point in Bracks'

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7 A Garuda shoots a runway in Yogyakarta in ndonesia. killing 2 people, including five Australians. 13 Myer Melbourne announces it will vacate the Lons dale Street build ing that comprises

half the store. 18 Sydney celebrates the 75th birthday of the Harbour

18 Pakistan cricket coach Bob Woolmer is pronounced dead in his hotel room in Jamaica the morning after Pakistan is knocked out of the World Cup tournament by Ireland.

20 Fourth annivers of the start of Iraq

23 Three people die in a crash in the Burnley Tunnel.

24 Iran captures 15 British sailors in the Persian Gulf for illegally entering Iranian waters. They are held for

25 Australian Muslim leaders defy Prime Howard and retain controversial cleric Sheikh Taj al-Din al-Hilali as mufti of

28 Four people die after a Sydney JetCat ferry and a private boat collide on Sydney Harbour.

29 WA's Carmen Lawrence. Australia's first female premier. announces her retirement from politics. Irish rock star Bono has been made an honorary British knight at a ceremony in



The Kerang level-crossing smash in early June stunned Victorians. Eleven train passengers died when a truck and the V-Line train collided. Picture: ANGELA WYLIE

decision to put family time ahead of fanfare and factions.

There was something of a cascading effect. In September, Queensland Premier Peter Beattie also quit while he was ahead, paving the way for the state's first woman premier, Anna Bligh. Then, in November, Clare Martin quit as the Northern Territory's chief minister.

While politics remained a staple of the year's hard news, so did crime and tragedy. A Winchelsea man, Robert Farquharson, was sentenced to life in prison for the murder of his three sons, whom he had driven into a dam and abandoned on Father's Day, 2005. Around the same time, a judge ruled inadmissable much of the evidence against Carol Matthey, a Geelong

mother accused of killing four of her children. Prosecutors claimed she had smothered them one by one over five years.

New chapters were written in Melbourne's gangland war: kingpin Carl Williams pleaded guilty to three murders and was sentenced to 35 years' jail, while drugs dealer Tony Mokbel, already sentenced in absentia to 12 years' jail, was tracked down to Greece and faced extradition on more than 20 new charges, including two of murder.

Notorious killers were also in the news. Homicide squad detectives were rounding on child killer Derek Percy over a string of decades-old unsolved child murders, and Peter Dupas, already serving life sentences, was found guilty of the stabbing murder of 25-year-old Mersina Halvagis while she

tended her grandmother's grave in Fawkner Cemetery in 1997.

The judge praised the investigators' tenacity and said the trial was important because "victims matter". He told the court: "Ms Halvagis matters. Every victim matters."

Two other crimes gripped Melbourne. An early-morning CBD shooting rampage in June left local solicitor Brendan Keilar dead and two others injured, including Dutch tourist Paul de Waard, later commended for his heroic efforts to detain the alleged gunman Christopher Wayne Hudson.

Meanwhile, the plight of a little girl found abandoned at Southern Cross railway station on September 15 also captured imaginations. She was dubbed "Pumpkin" because she was wearing Pumpkin Patch clothing. As details



A policeman at the tragic scene of the fatal, peak-hour city-centre shooting in Melbourne. Picture: CRAIG ABRAHAM

emerged, it was learnt that the girl was threeyear-old Qian Xun. The hunt for her father became a homicide investigation after the body of her mother, Anan Liu, was found in the boot of a car near the family's home in Auckland. Her father, Nai Yin Xue, became the subject of an international manhunt and remained at large after fleeing Melbourne for the US. A Family Court judge in Auckland granted custody of little Qian Xun to her maternal grandmother, Liu Xiaoping, who would take her to live in China.

DECEMBER, 2007

In late May, one of Australia's most divisive political and social debates reached a denouement of sorts when David Hicks arrived home in Adelaide after more than five years in the Guantanamo Bay prison, where he had been held by US authorities who

declared him a prisoner in the war on terror. Upon his return, Hicks was transferred to Adelaide's maximum-security Yatala Labour Prison. In March, he'd been sentenced to seven years' jail, with all but nine months suspended, the remainder to be served at Yatala. His scheduled release this month comes with an order restricting his freedom.

The year was also marked by inexplicable tragedy. At Kerang in June, a V-Line train was derailed when it collided with a truck at a level crossing, the impact tearing apart its carriages and leaving 11 passengers dead. They included a Rowville mother and her two young daughters, a Swan Hill great-grandmother, and a Robinvale farmer and sports identity and his teenage daughter.

Early in the year, a horror smash in



Melbourne's Burnley tunnel caused a conflagration that incinerated vehicles and their drivers. Three people died, including former Olympic cyclist Damian McDonald.

And in a fateful piece of symmetry, yearend threw up another terrible event when four young men burnt to death in a vehicle that left the West Gate Freeway at top speed on a Sunday evening this month.

Police believed the Commodore was racing another car at speeds of up to 160kmh shortly before it careered out of control and into a tree. Despite the evolution of safety devices, speed traps and driver education, Victoria's annual road toll stubbornly refuses to fall below 300.

Simon Mann is a senior writer at *The Age* 



# Pain and inspiration

Extraordinary bravery, tragedy, and the comings and goings of presidents and prime ministers coloured our world in 2007. writes Carolyn

Jones.

of saffron-robed monks appeared on the streets of Rangoon to lead the biggest show of dissent against

Burma's ruling junta in almost 20 years, it sparked hope among pro-democracy supporters that the military's decades-long stranglehold on power might start to crumble.

The September demonstrations were the largest protests in Burma since a 1988 uprising – led by students who supported democracy leader Aung San Suu Kyi – was brutally crushed by the army.

This year, when the military moved in to quell protests, the scenes turned violent.

For The Age and Sydney Morning Herald correspondent Connie Levett, it was a tense couple of weeks. More than 2000 people were

arrested during the junta's crackdown, and at least 13 people were killed.

Levett and photographer Andrew Meares along with other journalists assigned to cover the drama as it unfolded – could not file copy under their own names for fear of reprisals. It was not until they left Rangoon and returned to Bangkok that her stories and his photographs could appear under their own bylines.

The irony of reporting from one of the world's most repressive regimes wasn't lost on Levett or her fellow correspondents. The protests did not lead to the collapse of the military junta, but the global reach of the internet meant that, unlike 1988, the world could know in an instant how events were unfolding as pro-democracy campaigners posted images and blogs online.

Like Levett, The Age's Indonesia correspondent Mark Forbes found himself at the heart of one of the region's top stories this

year. But Forbes' involvement was more than just that of the journalist covering the tragedy of Garuda Flight 200 when it overshot the runway at Yogyakarta airport on March 7 and burst into flames.

Forbes had arrived in Yogyakarta the night before to cover the visit of Australia's then Foreign Minister Alexander Downer and then Attorney-General Philip Ruddock. He knew most of the five Australians on Garuda Flight 200 who died, including Australian Financial Review journalist Morgan Mellish, the head of AusAID in Indonesia, Allison Sudrajat, and Australian diplomat Liz O'Neill.

One of his Fairfax colleagues, Sydney Morning Herald journalist Cynthia Banham, was also on the flight.

Forbes was one of the first on the scene at the airport when news of the crash broke early on March 7. He spent the next few days filing copy on the aftermath of the crash for both The







Clockwise from top: The wreckage of Garuda flight 200 at Yogyakarta airport in March. Twenty one people were killed, including five Australians (Picture: REUTERS); will athletes be breathing this pollution in Beijing come next year's Olympic Games? (picture: AP); Tony Blair and Britain's new Prime Minister, Gordon Brown (Picture: AFP).

Age and the Sydney Morning Herald. Banham was so badly injured that she required extensive surgery and rehabilitation after losing one leg and part of another.

Several other stories and images dominated our foreign coverage this year.

Who can forget the chilling images of 23year-old American college student Cho Seunghui, who, after killing 32 of his fellow students and teachers at Virginia Tech University, turned the gun on himself.

The photographs he had taken of himself - brandishing handguns, military knives and a hammer – that he had mailed to the American NBC television network as part of a "multimedia manifesto" on the morning of his rampage were startling.

"I did it," Cho addressed the camera, speaking before went on his rampage. "I had to."

Across the Atlantic, Britain moved to its highest level of terror alert after a four-wheeldrive driven by two men crashed into Glasgow's airport terminal and burst into flames on a Saturday afternoon in July.

Bystanders helped police overpower the two men who jumped from the burning vehicle and tried to pour petrol over it. The attack came a day after two car bombs that failed to detonate were discovered outside a nightclub in London's Piccadilly Circus area.

It was a big year for presidents and prime ministers, some of whom were forced out of office because of controversy and dwindling popularity, while others tried to make their handovers of power as graceful as possible.

Tony Blair, after a decade as Britain's prime minister, passed on the baton to former Chancellor of the Exchequer Gordon Brown. After an unprecedented standing ovation in the House of Commons, Blair ended his leadership of 10 years and two months on June 27 with the words: "That is that. The end."

When he left Downing Street, he entered the record books as Labour's longest-serving prime minister of the past century. But his exit from the public stage didn't last for long. In less than a month he was chairing his first meeting as Middle East envoy for the EU, the US. Russia and the UN.

In France, the transition of power at the president's Elysee Palace when Nicolas Sarkozy, 52, replaced 74-year-old President Jacques Chirac, marked a generational change. Sarkozy, whose father was Hungarian and grandfather Jewish, described himself as "a little Frenchman of mixed blood".

But the news that Sarkozy and wife Cecilia were getting "le divorce" in October didn't come as much of a surprise for the French. The First Lady had made no secret of the fact that she didn't enjoy playing the role – unlike Senator Cristina Fernandez de Kirchner, the

continued page 14

earthquake and tsunami hit the killing 52 people. 3 Libby Lenton becomes the first woman to swim 100m in unde 53 seconds as part of a mixed relay at Duel in the Pool in

> A new climate report warns of severe drought in Australia, species extinction and the loss of the Great Barrier Reef unless immediate action

8 Little-known golfer Zach Johnson wins the 2007 US Masters.

Three soldiers die after their car veers off the Queenscliff-Swan Island

> 17 Cho Seung-Hui, a 23vear-old student kills 32 people at Virginia Tech, US, in a shooting spree. 21 Princess Mary of Denmark gives birth to baby girl, christened Princess Isabella Henrietta Ingrid Margrethe.

president Boris Yeltsin dies at 76. 26 The planet Gliese (20 light years away) is discovered by astronomers. With sun and oceans, it's possibly the most Earth-like planet outside our solar

27 Malaysia proclaims a new king, Mizan 7ainal Ahidin the 13th king since the country gained independence from Britain in 1957.

28 Australia wins the World Cup in cricket, defeating Sri Lanka in Barbados.

28 The Yungngora people have been recognised as the rightful - and exclusive - owners of 1811 square kilometres at Noonkanhah in WA

Clockwise from far left, bottom: Phil Spectre (picture: REUTERS); the new President of East Timor, Jose Ramos Horta, right, and the out going president, Xanana Gusmao (picture: GLENN CAMPBELL): new French President Nicolas Sarkozy and wife Cecilia, who have since announced their divorce (picture AFP): the world's most famous nolar hear cub. Knut. at his home in Berlin Zoo (picture: REUTERS): new Japanese Prime Minister Yasuo Fukuda (picture: AP).









Clockwise, from above: Democratic presidential hopeful Senator Hillary Clinton on the campaign trail (picture: REUTERS); a blazing four-wheeldrive vehicle after it was driven into Glasgow airport in June (picture: REUTERS); US college student Cho Seung-hui who killed 32 in his Virginia Tech shooting rampage (picture: REUTERS/ Courtesy NBC); Benazir Bhutto in Lahore, Pakistan (picture: AP).

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wife of Argentina's former president, Nestor Kirchner.

She replaced her husband in Argentina's top job to become the country's first elected female head of state after blitzing her opponents in the presidential election.

It's a scenario which Senator Hillary Clinton would love to emulate.

However, despite leading Democrat opinion polls as the frontrunner for the party's presidential nomination this year, Clinton is now running behind her main rival Barack Obama in the lead up to the crucial Iowa caucus on January 3.

Closer to home, the election of Nobel Peace Prize laureate Jose Ramos Horta as President of East Timor in April meant he effectively swapped roles with Xanana Gusmao, who is now Prime Minister. In Japan, the ruling Liberal Democratic Party chose the 71-year-old

Yasuo Fukuda as its leader and prime minister after a disastrous year of scandals and election defeat under Shinzo Abe, who resigned on September 12.

Politics dominated our coverage of Pakistan. Exiled former Prime Minister Benazir Bhutto – who eight years earlier was forced to leave Pakistan in the wake of a corruption scandal – returned to her home town of Karachi in October, just weeks before General Perevez Musharaf declared a state of emergency. Minutes after her convoy arrived, two suicide bombers attacked her homecoming procession, killing 139 people.

International diplomacy again focused on the nuclear capacity of North Korea and Iran.

In October, Pyongyang finally agreed to declare all its nuclear programs and disable its nuclear facility by the end of the year. The move makes North Korea eligible for more economic assistance, and clears the way for

comprehensive peace talks.

But the diplomatic wrangling over Iran continues, with International Atomic Energy Agency director Mohamed ElBaradei claiming he has no evidence Iran is building nuclear weapons. His comments came as US President George Bush and Vice-President Dick Cheney ramped up their rhetoric on Iran, leading some critics and analysts to draw comparisons with the verbal escalation against Iraq in the lead-up to the invasion of Iraq in

The fourth anniversary of the start of the war passed in March, and the debate about US troops in Iraq became more heated throughout the year as the US military death toll pushed 4000.

President Bush claimed his military troop "surge", led by his war commander, General David Petraeus, has led to substantial progress in Iraq. He promised to withdraw thousands of







dle of next year. But critics such as Democrat

Nancy Pelosi, the speaker of the US House of

China continued its preparations for the

2008 Olympics in Beijing despite concerns it

was struggling to meet the environmental

commitments made during its Olympic bid.

In late October, a United Nations review

said that despite \$A13.3 billion being spent to

reduce pollution, Beijing's air quality remained

Fears about climate change and global

president Al Gore and the Intergovernmental

Madeleine McCann from a Portuguese resort

Britain was gripped by the disappearance of

warming saw the Nobel Peace Prize committee

to 10 more years of war in Iraq".

suspect and a "legitimate" concern.

Panel on Climate Change (IPCC).

on May 3.

hand its 2007 award to former US vice-

Britain's royal family was once again in the spotlight as Prince William and Kate Middleton's on/off/on relationship continued to dominate the British media. And, 10 years after her death, the inquest into Princess Diana's fateful crash in the Paris Pont de l'Alma tunnel finally started, with the coroner warning jurors they should be prepared for a lengthy hearing.

Celebrity antics continue to enthral and appal. The sudden death of starlet Anna Nicole Smith in a Florida hotel room in February turned into a gruesome display of greed as relatives and former lovers battled for custody of her daughter – and a large inheritance.





In Los Angeles, legendary music producer Phil Spector defended charges he murdered actress Lana Clarkson at his Los Angeles mansion in 2003. Clarkson was found slumped in a chair with a bullet through her mouth.

The five-month trial collapsed when, after 12 days of deliberation, the jury said they were deadlocked and could not reach a verdict.

But the news wasn't all bad. We couldn't help but smile when Berlin Zoo's polar bear cub, Knut, was shown off to the public for the first time in March. The popular poster boy for environmental campaigners – actor Leonardo DiCaprio shared star billing with him when the two appeared on a Vanity *Fair* cover earlier this year – is now thriving and recently welcomed his two-millionth

Carolyn Jones is foreign editor of The Age

The debate 4000

Driving all the way to the bank ... The Wiggles become Australia's biggest entertainment export.

## Hot potatoes and cold cash

The business year was wiggly for some, wobbly for others. writes Mark

Hawthorne.

HE Wiggles, Humphrey and a pair of men going bananas in pyjamas. It's not often that lot would all grace the business pages in a year, but 2007 was no ordinary business year.

The Wiggles made it on the basis of explorer Iupiter Mines. being Australia's biggest entertainment export, notching up \$50 million of global earnings April 26 bound for Abu Dhabi with the two Australian company directors aboard,

Humphrey B Bear made it by being a ensconced in \$11,000 "Diamond Zone" seats. potential "boning" candidate of one-time An Abu Dhabi court heard that duty-free Channel Nine chief executive Eddie McGuire. The pantless, fun-loving bear was embroiled in a contract crisis until McGuire offered him a reprieve. McGuire would later deny using in their first-class pyjamas. the vernacular "boned", or harbouring any ill

flight drinking session, Evans and Snaith took off their underpants and ran around the cabin

feeling towards the children's character. Before

had enough. He stepped aside as the boss of

That leaves the tale of David Evans and

Etihad Flight 451 took off from Sydney on

Jeremy Snaith, directors of junior mineral

bottles were opened and, after a lengthy mid-

One – the court heard it was Evans

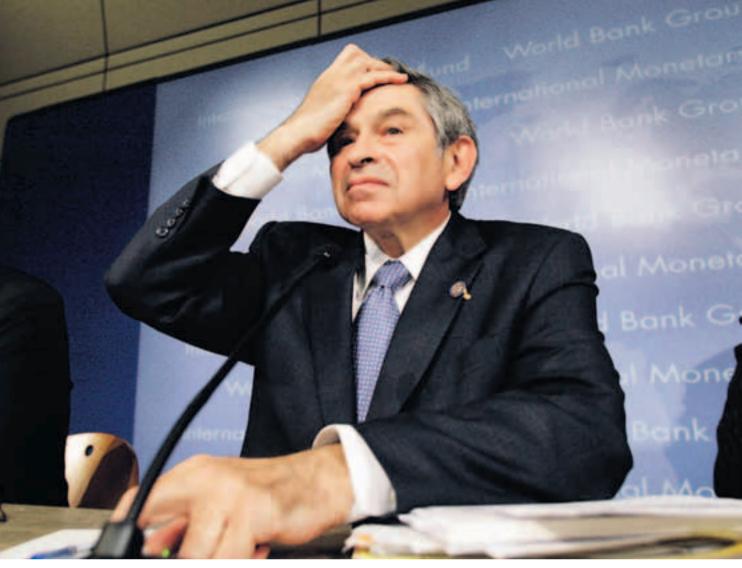
- stripped off and lay naked on a reclining bed, refusing attempts to cover him before falling 2007 was through, McGuire would declare he'd asleep. The Age dubbed it the "bananas in pyjamas" incident and, in mining circles, the pair became known as "B1 and B2".

> Snaith spent a month at al-Wathba prison, surviving on what his PR man called a "diet of fermented camel meat" in a "desert

Both were found guilty of assault and sexual harassment, and given suspended prison

Men behaving badly was a theme of 2007. Visy Industries boss Richard Pratt was found to have operated a cartel with rival

Visy was fined \$36 million, while his







Clockwise, from left: And now Dow Jones is New Corp's (picture: REUTERS); former World Bank president Paul Wolfowitz, who was forced to resign (picture: REUTERS); Rodney Adler is released from prison (picture: ANTHONY

company made an estimated \$400 million from the cartel.

Press baron Conrad Black was another caught behaving badly. In June, Black faced a Chicago court on charges of fraud and racketeering, and of stealing \$60 million from Hollinger International.

Of all the details given in courtroom 1241, the most remarkable was testimony about how Black and partner Barbara Amiel Black spent millions of dollars of Hollinger money redecorating their Park Avenue apartment.

Defence attorney Ed Genson, who in court called his own client "arrogant", entered into evidence some of the items the pair bought. Prosecutor Eric Sussman then had a field day,

reading off a list of items to the jury.

"A Chinese carpet that cost \$U\$33,000," Sussman said. "A \$9800 diamond vault that cost an additional \$12,000 to deliver and install, a mother-of-pearl box that cost \$9600, a three-drawer commode worth \$12,000, a \$12,500 mahogany shaving stand that belonged to Napoleon, Louis XVI painted stools valued at \$9000 "

The list went on, but it was heated towel racks at \$4399 that brought howls of laughter in the courtroom. "Did you ever get out of the shower on a cold winter morning and want a warm towel?" interjected Genson.

Judge Amy St Eve asked Sussman if he wanted to object to that remark.

"I can't argue with that," Sussman quipped. All jokes aside, Lord Black was in July found guilty by the jury on three counts of fraud. He was sentenced to six-and-a-half years in prison and a \$US125,000 fine. He plans to appeal.

Paul Dundes Wolfowitz was another caught misbehaving this year. The former World Bank president, regarded as one of the architects of the war in Iraq from his time as US Deputy Secretary of Defence, was under attack for promoting his partner, Shaha Ali Riza, to a lucrative new job.

For an organisation taking a tough line on cronyism, it was too much to handle – leading World Bank executives signed a letter calling

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McCann is abducted from a Portuguese beach resort while her parents dine

4 Steve Bracks and Californian Governor Arnold Schwarzenegger sign a historic climate change

Paris Hilton is sentenced to jail for 45 days for driving while on probation for drink

6 Nicolas Sarkozy wins the French presidential

7 Underworld killer Carl Williams is sentenced to 35

Aborigines will own houses on traditional lands for the first time following a deal between the Federa Government and the Tiwi Islands community. The traditional owners also become the first to agree to lease their land Government for 99

13 The Federal Government bans the Australian cricket team from travelling to

16 Jorja Steele becomes the first child in Australasia to receive an auditory brain stem implant.

18 Eddie McGuire resigns as head of Channel Nine.

20 After five years' imprisonment in Guantanamo Bay, David Hicks returns to Australia to serve a seven-month term in Yatala Prison.

29 Steve Vizard sells his Toorak mansion for more than \$18 million. The price is a record for Victoria.

30 Indonesia threatens retaliation against Australia as a diplomatic row erunts over the Sydney inquiry into the 1975 deaths of five Australian news men in East Timor.



Another foreclosure signs goes up, this one in Plano, Texas, as the impact of the US subprime lending crisis is felt.

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for Wolfowitz's head. In May, he announced his resignation to the World Bank ethics committee, effective from June 30. He was replaced by former US Deputy Secretary of state Robert Zoellick.

Many did it tough in 2007, among them music promoter Glenn Wheatley, who was jailed for tax evasion in July.

Others were given a reprieve. Former HIH Insurance executive Rodney Adler – one of the men responsible for the biggest corporate collapse in Australian history – was released from prison in October after serving two-anda-half years of his sentence.

Hedge funds were also caught behaving badly, as the investment world grappled with a new word: subprime (see breakout).

To give this year's financial disaster its full title, Wall Street dubbed it the "hedge fund subprime credit crunch", to cover the myriad high-risk gambles that came unstuck.

Mortgages to high-risk borrowers – the "subprime lending market" - have threatened to derail the US economy. More than 42,000 Wall Street bankers have lost their jobs, including Bear Stearns' co-president Warren Spector and Merrill Lynch boss Stanley O'Neal.

In Australia, home loan lender RAMS was damaged by the subprime crisis. Its share price tumbled 20 per cent in a day after the market learned RAMS was partially funding its business by selling mortgage-backed securities

As the subprime shockwaves reached Australia's shores, the stock market dropped 3 per cent of its value on July 27.

Despite several setbacks, it has been a stellar year for the markets. The benchmark S&P/ASX 200 index started the year at 5700 points and flew past 6000 points in February.

Throughout the year, not even two interest rate rises, the subprime crisis or rising inflation figures could keep the market down amid a

once-in-a-generation resources boom. Finally, it was the threat of a US recession that pummeled global markets and dampened Christmas cheer.

A low of 5483 was reached in August in the fallout of the subprime crisis, but the index had surged through the 6800-point barrier by October, before the end-of-year. Many analysts still believe 7000 points is not far away – especially if other suitors line-up for Rio Tinto.

Rio Tinto's share price passed \$100 per share, as did Macquarie Bank and CSL. A planned merger with BHP Billiton has now driven Rio towards the \$150-per-share mark.

Melbourne's Slater & Gordon became Australia's first listed law firm, and the first partnership of lawyers in the world to go public. Also on the sharemarket, fund manager Kerr Neilson floated his Platinum Asset Management and earned \$2.7 billion in the first day, placing him fourth on BRW's Rich 200 list.





forced to step down because of credit losses tied to subprime home loans (picture: The New York Times); Left: Conrad Black and his wife, Barbara Amiel Black, arriving at court. Picture: AP

> The major takeover on the Coles sale.

It was a particularly fruitful year for corporate raiders. Rupert Murdoch topped the list, launching a \$US5 billion bid for Dow Jones & Company, publisher of The Wall Street Journal, in May.

The old-money Bancroft family, which controlled more than 65 per cent of Dow's stock, knocked back the offer, so Murdoch lifted his bid. The Bancrofts, controllers of the Journal for 105 years, engaged in a heated debate as to whether Murdoch was a suitable person to control the newspaper.

No one ever got to the bottom of that question, but Murdoch's money finally won out. In August, Dow Jones fell to News Corp for \$US5.6 billion, or \$US60 per share – a 65 per cent premium on Dow's share price before the bid was announced. Coinciding with that takeover was

Murdoch's decision to sell his his company's 7.3 per cent stake in Fairfax Media.

The major takeover on the domestic front

was the long-running saga of the Coles sale, the largest gain in Australian corporate history.

The origins of the deal stretch to August last year, when the Coles board received a \$17.3 billion proposal from a group of private investment funds led by Kohlberg Kravis Roberts. KKR finally pulled out of the running in May this year, after Wesfarmers and a consortium including Macquarie Bank, Private Equity Partners and Permina launched a \$19.7 billion bid.

It's been a long road for Coles' 350,000 shareholders, but the wash-up is that they will end up owning about 44 per cent of an enlarged Wesfarmers – owner of national home improvement chain Bunnings.

Richard Goyder's Wesfarmers has emerged as the biggest fish in the retail pond, and the largest private employer in the country.

Not so effective was the star-crossed sale of the national airline.

Just before Christmas last year, the board

of Qantas agreed to an \$11 billion takeover offer from a consortium called Airline Partners Australia, led by Macquarie Bank.

The bid was later sealed with a kiss between chief executive Geoff Dixon and chairman Margaret Jackson, but collapsed in May after several of the largest shareholders, including investment bank UBS, which controlled 6 per cent of the stock, refused to sell.

Dixon has remained, but Jackson, who has suffered some health problems, including deep vein thrombosis, decided to depart. She has been replaced on the Qantas board by former Rio Tinto boss Leigh Clifford.

Also doing it tough was the board of Telstra, which had a lucrative remuneration package knocked back by shareholders in November.

Sol Trujillo and his team battled the Government all year over broadband. Faster internet speeds are years away for Australia.

Mark Hawthorne is a business writer for *The Age* 

### How the subprime crisis unfolded

It was the word of the year, but few understand how the subprime credit crunch unravelled.

As property booms roll on, financial institutions take bigger risks. In 2005 and early 2006, with the US housing market roaring some US lenders took major gambles on to whom they gave mortgages.

In Australia, we have seen the rise of low-doc (low-documentation) loans. In layman's terms, subprime mortgages are given to people who are considered a credit risk.

When house prices in the US started to tumble amid rising interest rates towards the end of 2006, the foreclosures started to mount. But that only affected one

end of the market. Many lenders package their loan books and off-sell bonds to raise further money. It's called a collateralised debt obligation (CDO). Australia's RAMS Home Loans engaged in this practice.

The nature of hedge funds is that they gamble on outcomes, and borrow money to do it. CDOs backed by subprime loans provided a cheap source of money.

The Bear Stearns High Grade Structured Credit Fund and the Bear Stearns High-Grade Structured Credit Enhanced Leveraged Fund were two such funds that borrowed using CDOs.

In June, the value and credit worthiness of the CDOs that both hedge funds had used was cut in response to rising subprime defaults.

In July, Merrill Lynch called in \$850 million of debt from those two hedge funds and, when they couldn't pay, both went bankrupt.

By the end of July, the subprime crisis was in full

Mark Hawthorne



Yes, it is true ... the Cats are victorious, winning their first premiership in 44 years and by a record grand final margin.

Picture: VINCE CALIGIURI

## Spoiling the sports

Accomplishments
were plentiful,
but, regrettably,
so too were the
disappointments,
writes

Warwick Green.

T WAS Earl Warren, the influential chief justice of the US Supreme Court, who famously told *Sports Illustrated* magazine: "I always turn to the sports section first. The sports section records people's accomplishments; the front page nothing but man's failures."

Granted, that celebrated quote was delivered almost 40 years ago, in a nation that was having a bit of a rough trot keeping assassins away from various front-page types. But it does recall a more innocent sporting reality than the one we've experienced in 2007.

In trawling the big sporting headlines of the past 12 months, you're likely to find as many stories about failure as accomplishment. Consider AFL football, which, after all, has a tendency to snaffle the spotlight in Victoria. Which was the more significant story this year? Geelong conquering everything in its path – grand finals, awards nights, history,

handbags and Sam Newman's ramblings – or the careening and destructive juggernaut that was the West Coast illegals?

It's hard to imagine a more glorious football season than that enjoyed by the Cats. They began the year under pressure after a thorough internal review over the summer, but went undefeated for 15 matches mid-season, which ranks among the top 10 winning streaks in the AFL. The sceptics remained, even when Geelong had nine players named in the All-Australian team, had Jimmy Bartel voted Brownlow medallist and won the VFL flag. On the last Saturday of September, the Cats defeated Port Adelaide by a record 119 points and won the premiership with flawlessly attractive football. To cap off the fairytale, Steve Johnson, suspended by his peers for the opening five rounds as punishment for getting on the summer wine, won the Norm Smith Medal for best afield in the grand final.

In contrast to Geelong's Midas touch, West

Coast had the greatest premiership hangover known to mankind. Former captain Ben Cousins and his drug problems were central to the drama. In the past 12 months he has been suspended, rehabilitated, arrested, deregistered, hospitalised and banned. There were front-page photographs of him in the airport departure lounge, at the baggage carousel, stripped to the waist (with and without gothic tattoo), producing a blinder in his return match, and pinging a hamstring in the first week of the finals. Even clothes shopping.

But to paraphrase Paul Keating, West Coast was not simply "all tip and no iceberg". The Eagles also had to contend with controversies involving Chad Fletcher (flatlining), Daniel Kerr (taxi-driver assault; secret police tapes), Adam Selwood (tattoo abuse), Daniel Chick (drugs-carrying passenger), Michael Braun (an audible obscenity; Jason Akermanis accusations) and the premature death of former champion Chris Mainwaring.









Clockwise from left: Retired rugby league great Andrew Johns, who revealed regular drug use during his playing career, bids farewell to adoring supporters (picture: GLEN McCURTAYNE); the Springboks win the rugby union World Cup in Paris, defeating England (picture: GETTY); Roger Federer wins the Australian Open, beating Fernando Gonzalez (picture: VIKI LASCARIS); Australian surfer Stephanie Gilmore, 19, who won the women's world title (picture: ANGELA WYLIE).

Oh, and possibly the biggest Eagles story of them all, captain Chris Judd demanding to be traded to a club in his native Melbourne. A premiership captain going to another club? That's a history-making moment, in the same league as the defections of Barassi, Jesaulenko and Carey. It was great news for Carlton, which eventually won Judd's blessing. But even the Blues had moments they'd rather forget this year, sacking their coach and captain, and watching as their new billionaire president became embroiled in an illegal price-fixing case.

On the subject of departing coaches, the highest-profile of the four men tiptoed this season was Kevin Sheedy, overseer of four Essendon premierships in the past 27 years. However, it was not all grim news at Windy Hill, with Adam Ramanauskas returning to senior football after two bouts of cancer and a knee reconstruction.

But it's not just the AFL and Jedi Knights who have to resist the forces of the dark side.

The highlight of the cricket calendar came when Australia retained the World Cup in the West Indies. Some would say the final against Sri Lanka was played in the sizeable shadow of the "murder investigation" into Pakistan coach Bob Woolmer's death, except that by the time those farcical final overs were bowled in Barbados, there was not enough light to actually cast a shadow.

In Test cricket, Australia completed a 5-0 sweep in January to regain the Ashes, and bid farewell to three greats in Shane Warne, Glenn McGrath and Justin Langer.

Yet, disappointingly, much of the focus this year has involved controversies about racism, Muthiah Muralidaran's bowling action, umpire Darrell Hair and even the banning of the Mexican wave.

This was undoubtedly a historic year for Australian horse racing. The most dramatic days came in the last week of winter, with the detection of equine influenza in NSW prompting the cancellation of that state's spring carnival, and a range of preventative measures in Victoria involving quarantine, vaccination and travelling restrictions.

The outbreak was contained, and the Melbourne carnival went on. On the first Tuesday in November, Efficient became the first Australian-bred horse to win the Melbourne Cup since 1999, and the first horse since Phar Lap in 1930 to salute 12 months after winning the Derby.

There was drama overseas, too.
In March, Melbourne Cup-winning jockey
Chris Munce was jailed in Hong Kong for
accepting money in exchange for tips, and in
June, sprinters Miss Andretti (winner of the
Kings Stand Stakes) and Takeover Target
(second in the Golden Jubilee Stakes)
continued the prominent Australian flavour at
Royal Ascot in recent British summers.

It was a similar story of black and white in

continued page 22

Fugitive crime boss Tony
Mokbel is captured in Greece.

Eleven people die in a train crash near Kerang in Victoria.

The worst weather storms in 33 years in the central coast of NSW and Hunter Valley leave nine dead and dozens injured.

A Melbourne couple pays a record \$3.5 million for the Brett Whiteley painting The Olgas for Ernest

Christopher Wayne
Hudson allegedly shoots three people, wounding Kara
Douglas and Dutch backpacker Paul de Waard, and killing solicitor Brendan Keilar, at the corner of William Street and Flinders Lane after a

Sergeant Chris Hurley is found not guilty of the manslaughter and assault of Mulrunji Doomadgee in the Palm Island watch house in 2004. He is the first policeman to be tried for an Aboriginal death in custody

John
Howard
announces drastic
measures to address
the sexual abuse of
Aboriginal children
in remote Northern
Territory
communities.

24 Robert Harvey plays his 350th VFL/AFL game for St Kilda.

27 Tony Blair hands his resignation to the Queen and leaves 10 Downing Street. Britain's new Prime Minister is Gordon

Melbourne Football Club coach Neale Daniher announces his resignation from

29 Australia's population reaches 21 million, according to the Australian Bureau of Statistics, based on census figures.

Terrorists drive a vehicle into Glasgow's airport terminal in Scotland.











### from page 21

other sports. In cycling, Cadel Evans was just 23 seconds off winning the Tour de France, with his second placing the best overall result by an Australian. Unfortunately, the tour's romance was again diminished by a drugs cloud – key riders pulled out of the 2007 event because of drugs issues, while Spaniard Oscar Pereiro received the 2006 winner's jersey 15 months after American Floyd Landis tested positive to testosterone.

Drugs also tainted a stellar year in athletics. This should be primarily remembered as the year Australia's Jana Rawlinson won her second world 400 metres hurdles title, remarkably just eight months after giving birth to her son, Cornelis. Or because Victoria's Nathan Deakes established a record for whispering the loudest (race walking) in the 50km event at the world championships. Or for the benchmarks set in the men's 100 metres

(Asafa Powell's 9.74 seconds) and marathon (Haile Gebrselassie's 2hr 4mins 26s). Instead, it will go down as the year sprinter Marion Jones sobbed for forgiveness after admitting she used steroids in the months leading up to her three Olympic gold medals at Sydney 2000.

In March, Melbourne hosted the world swimming championships, where we marvelled at the feats of American Michael Phelps (seven golds, four world records) and Australia's Libby Lenton (five golds). There were other home-grown champions in Leisel Jones and Jessicah Schipper. So why did swimming make it on to the current affairs shows? Because hidden cameras had showed a Ukrainian coach shoving around his daughter. At least there were no drug scandals. That's if you exclude the investigation into a dodgy Ian Thorpe urine sample (he was later cleared), and a claim by Australia's Elka Graham that she was offered drugs by another elite swimmer in the lead-up to the Athens Olympics.

Soccer enjoyed a post-World Cup boom, with a blockbuster crowd watching Melbourne Victory stick six unanswered goals past Adelaide in the A-League final. Australia's much-anticipated push into Asia stumbled, though, with the Socceroos managing a lone Asian Cup win against Thailand, before being knocked out in a quarter-final penalty shootout

The rugby codes continued to make ground in Victoria, but had their struggles elsewhere. The Melbourne Storm finished three games clear on the National Rugby League ladder, before thumping Manly in the grand final. Most of the other big league stories of the year featured men behaving badly, culminating in possibly the greatest player to pull on a boot, Andrew Johns, being sprung with an ecstasy tablet in his pocket while in London. He subsequently spoke frankly about using drugs















throughout his career as he dealt with the massive psychological pressures at the highest

Nearly 80,000 crammed into the MCG in June to watch the Wallabies upset the All Blacks, and there was enthusiasm aplenty when the Melbourne Rebels reached the final of the inaugural Australian Rugby Championship. This was somewhat counterbalanced by Australia's lacklustre showing at the World Cup, eliminated by England in the quarterfinals of a tournament that was universally panned for its unimaginative play.

The rugby union year ended with a former All Black (Robbie Deans) being appointed coach of the Wallabies

Could it simply be that the media are more cynical than they were in Earl Warren's day, more determined to find failure and vulnerability in the sporting sphere? After all, there were some truly joyous accomplishments.

Casey Stoner, essentially a skinny, smiling kid from the bush, fulfilled a boyhood dream by winning the MotoGP world title.

Australia's world champion female basketballers continued to dominate, with Lauren Jackson voted Most Valuable Player in the elite Women's National Basketball Association, and Penny Taylor part of the Phoenix team that won the title. Our netball team defeated New Zealand on its own heap to win the world championships final; Australia has now won nine of the 12 titles contested since 1963.

Queensland surfer Mick Fanning became the first Australian to win the men's world title since 1999, with Stephanie Gilmore claiming the women's crown. Sydney triathlete Chris McCormack bettered all-comers when he swam 3.8km, cycled 180km and then ran a marathon through lava fields to win the famed Hawaiian Ironman.

It is still possible to be inspired by sport. Delve beyond the boofhead footballers, the drug cheats and the sniffling horses and there are numerous Australians who have proved themselves the best in the world.

Kurt Fearnley was born with the lower part of his spine missing. As a kid, his wheelchair was too unwieldy for chasing rabbits around the dusty paddocks near his home in central NSW, so he crawled, sometimes for kilometres, to keep up with the other boys. One day they stirred up a bees' nest. The other kids bolted, Fearnley was badly stung.

On Melbourne Cup weekend, Fearnley was first across the line in the New York marathon, his 10th victory – from 11 races spanning five continents – for the year.

Sometimes the failures simply put the accomplishments into perspective.

Warwick Green is a sports writer for *The Age* 

Clockwise from far left: Jana Rawlinson wins the women's 400 metres hurdles at the world championships in Osaka. (Picture: REUTERS); America's Michael Phelps wins another gold medal for the men's 200m butterfly final, at the world championships in Melbourne (picture: JASON SOUTH): Australia's cricketers win the World Cup in Barbados, beating Sri Lanka (picture: GETTY); MotoGP world champion Casev Stoner wins at Phillin Island (nic ture: AAP): the Socceroos lose to Japan in the Asia Cup in Hanoi (picture: The Sydney Morning Herald); Australian surfer Mick Fanning takes out the world title (picture: REUTERS); Australian Kurt Fearnley and Edith Hunkeler, of Switzerland, after winning the men's and women's wheelchair divisions of the New York marathon (picture: GETTY).

Sylvester Stallone, 60, makes headlines by arriving in Australia with vials of a growth hormone in his bag. His desire to "feel and look good" cost him \$3000 in fines.

## A question of balance

The Google t was the best of times, it was the worst of times ..." began Charles calculator Dickens' 1859 novel, A Tale of Two Cities. The dichotomy expressed says there are in that statement goes to the heart of the capricious human condition. The land 8765.81277 bakes in drought – hey, what great beach weather! Glass half full or half empty, it's hours in a year all a matter of perception. Climate change? Perhaps now's the time to invest in waterfront – hard to believe property – in Melton. For some, 2007 has been a banner year, one for the record books; we've just about for others it's roll on 2008. But the majority will look upon the past 12 months with used them all up fondness and regret in equal measure. We awoke on the first day of 2007 to the again, writes

Jeff Glorfeld.

news that Iraq's former dictator, Saddam Hussein, had been executed a couple of days previous. Far from bringing relief or closure, the main emotions expressed in the media in the days that followed were revulsion at

the manner of his death, fear that it would drag the country even deeper into chaos, and despair that as the war slogged into its fourth year, the prospect of any good coming from it appeared increasingly dim.

Also on January 1, Stage 3 water restrictions came into force in Melbourne. With our attention being continually drawn to water, drought and climate change, it only seemed natural that on January 26, author and scientist Tim Flannery was named Australian of the year by the National Australia Day Council. In accepting his award from John Howard, Dr Flannery said: "Prime minister, I need to add that I will be passionately critical of delays or policies by anyone that I think are wrong-headed. But it's also important to give credit when steps are taken in the right direction."

Water was also on the mind of VISY Group chairman Richard Pratt in mid-February

when he told an Australia-Israel Chamber of Commerce lunch in Perth: "If the government doubled the price of water it would make people more conscious in regards to their

Brave words, considering that a few weeks earlier his company had been named as one of Victoria's biggest water users. The year had begun well for Pratt - on February 9, he was named president of the Carlton football club, but by late October his role at Carlton was being called into doubt and, indeed, his corporate reputation as he became the focus of price-fixing investigations.

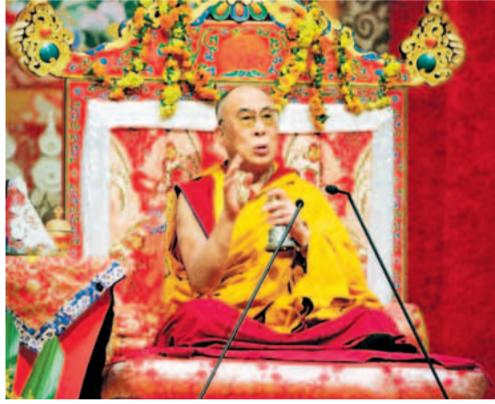
In mid-February, our seemingly insatiable appetite for tainted celebrities was piqued with the news that Sylvester "Rocky" Stallone had been detained by customs officials at Sydney Airport and had several items confiscated from his luggage. He was later fined \$2975 for bringing a prohibited import into



Clockwise from below: Paris Hilton arriving at court in Los Angeles in May (picture: AP): the Dalai Lama at Rod Laver Arena in June (picture: EDDIE JIM): Saddam Hussein in court just days before his execution (picture: REUTERS); "I won't be back" is what Steve Bracks may have said to Californian Governor Arnold Schwarzenegger in Los Angeles in May







Australia, 48 vials of the human growth hormone Jintropin, and for possessing a prohibited import, four vials of testosterone. "Doing Rambo is hard work," Stallone had told customs officers at the time of his detention.

The Stallone affair was exposed as mere sad silliness in late February as moon-faced criminal Carl Williams pleaded guilty to three murders in what had come to be known as Melbourne's bloodiest underworld war. Police Deputy Commissioner Simon Overland said Williams was among the worst serial murderers in the state's history.

The worlds of federal politics and gangland crime collided in early March when shadow attorney-general Kelvin Thomson announced he was quitting the front bench because he had provided a reference for gangster Tony Mokbel. The fugitive criminal known as "Fat Tony' had his overseas holiday cut short a few

months later, in early June, when he was apprehended in Greece after a global search of nearly 15 months.

In late March, Carmen Lawrence, the woman once touted as potentially Australia's first female prime minister, caused a ripple in the political world when she announced she was leaving politics and taking up a position at the University of Western Australia.

In April, one of the country's favourite sportsmen, cricketer Glenn McGrath, bowed out in style, being named player of the tournament in Australia's World Cup victory. His departure followed that of teammates Shane Warne and Justin Langer.

In late May, one of Australia's most divisive political and social debates reached a denouement of sorts when David Hicks arrived home in Adelaide after more than five years in a Guantanamo Bay prison, where he had been held by US authorities who declared

him a prisoner in the war on terror.

From the serious to the ludicrous, a jail sentence of a different sort seemingly became the latest must-have accessory for a posse of US celebrities, beginning with Paris Hilton's 45-day sentence in early May for repeatedly driving on a suspended licence. Nicole Ritchie, Lindsay Lohan and Britney Spears all paraded before the courts during the year, charged with various offences.

And on to the sublime, the Dalai Lama returned to Australia in June, with speaking engagements from Perth to Melbourne. The tour by the Tibetan spiritual leader threatened to descend into farce, however, as then Opposition Leader Kevin Rudd and Prime Minister John Howard traded charges of hypocrisy and engaged in rounds of diary checking to see who would or would not meet with the Dalai Lama.

continued page 26

1 Smoking banned in pubs and clubs in

3 Wesfarmers buys Coles for \$22 billion in the biggest takeover in Australia's corporate history The new company will be the nation's

largest retailer.

7 Live Earth concerts in Sydney, London, Shanghai, Hamburg, Johannesburg, Tokvo. New York and Rio de Janeiro aim to raise environmental

12 Talkback radio presenter Stan 7emanek dies of a brain tumour in Sydney. He was 60. 17 Victoria has its coldest

day in nine years. 19 Promoter Glenn Wheatley is jailed

for tax evasion 21 JK Rowling's Harry Potter and the Deathly *Hallows*, the last and seventh Harry

Potter book, goes

24 The Clifford painting Warlugulong fetches \$2.4 million at auction, more than double the previous record for

Aboriginal art. 24 Les Carlyon's The Great War is named Australian Book of the Year and Carnentaria by Alex Wright is literary novel of the year.

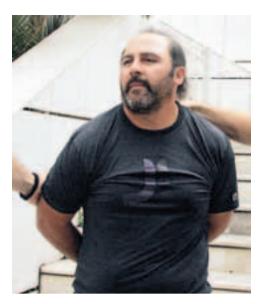
27 Steve Bracks announces his resignation as Victorian Premier, citing family issues as part of the reason. His deputy, steps down hours

29 Cadel Evans finishes second in the Tour de France.

30 John Brumby is selected by caucus as Premier of Victoria with Rob Hulls chosen as his













Clockwise from above: Ben Cousins accompanied by police in October (picture: West Australian): Professor Tim Flannery with former Prime Minister John Howard in Canberra in January (picture: ANDREW SHEARGOLD); captured fugitive Tony Mokbel in Greece (picture: ANA): Carl Williams at the Melbourne County Court in May (picture: JASON SOUTH); Shane Warne leaves the Test January at the SCG (picture: ANTHONY JOHNSON)

### from page 25

In early May, Steve Bracks was trotting the world stage, meeting Californian Governor Arnold Schwarzenegger to discuss climate change, and being seen with officials from New York to London. It turned out to be a farewell tour of sorts for the Victorian Premier, who resigned his office on July 27.

A far longer and, for many Victorians, more noteworthy reign came to an end as Kevin Sheedy coached his last game for the Essendon Football Club on September 1. Sheedy, 59, coached the Bombers in 633 games from 1981, including premierships in 1984-85, 1993 and 2000. He also played 251 games for Richmond from 1967-79, appearing in three premierships.

Bombers favourite James Hird, 34, also made his last appearance for the club on the day. He retired after 251 games, starting in

1992, a career that included the 1993 and 2000 premierships, the Brownlow Medal (equal) in 1996, the Norm Smith Medal in 2000, four best-and-fairest awards and five times All-Australian.

Australia's favourite outlaw, Ned Kelly, was back in the news indirectly in October, and while his legacy endures, its countenance remains dubious.

The story of West Coast's Ben Cousins was one of the year's saddest sagas, and one that persisted and changed direction much as the supremely gifted athlete had once done on the country's football fields. When pictures of the troubled young man flashed around the country in mid-October, his bare midriff emblazoned with the words "Such Is Life", his decision to have Kelly's last words tattooed across his belly seemed questionable, if prophetic.

After emerging from a 28-day stay in a Californian drug-rehabilitation clinic early in the year, Cousins appeared to have turned his footy career, if not his life, around with a beston-ground performance against Sydney on July 21. But by October all that had changed - injured, arrested, sacked and banned from AFL football for a year, even though all the charges from an October 16 incident were eventually dropped by Perth police.

If Cousins had been more literary – and had a bigger belly – he might have been better served by the closing words to Dickens' great work cited at the start of this screed: "It is a far, far better thing that I do, than I have ever done; it is a far, far better rest that I go to than I have ever known.'

> Jeff Glorfeld is a senior editor in The Age's Strategic Publications unit



## A gloomy forecast

USTRALIA'S landscape

withered a little more

drought stretched into

lost more water, and

temperature records

its 11th year – city dams

during 2007 as the

By year's end, the words climate change had become integral to the national lexicon, writes Rachel Kleinman.

continued to be set.

In January, The Age broke the news that the Great Barrier Reef as we know it could be lost within 30 years. That prediction came from a group of 120 scientists, the Intergovernmental Panel on Climate Change, in a draft report that said coral bleaching on the Barrier Reef was likely to become annual by as early as 2030, owing to warmer, more acidic seas.

The year didn't deliver an environmental pin-up to match Al Gore's 2006 performance, but the science flowed thick and fast, largely due to his Nobel Peace Prize co-winner, the IPCC.

The panel, which includes Australian scientists, released a three-volume assessment on climate change – its first since 2001. In April, panel members forecast widespread threats to urban and natural environments, including buildings, transport systems, emergency services, and energy and water infrastructure. The following month in Bangkok, they said reductions in global emissions of up to 85 per cent were needed

In October, Australia's CSIRO and Bureau of Meteorology released their most comprehensive assessment of the country's climate – past, present and future. It stated that Victoria faced a 10 per cent reduction in average rainfall and a four-degree average temperature rise over the next 60 years if carbon emissions were not slashed. Even with immediate action to cut emissions, the report

said, temperatures would increase, droughts would become more frequent and rainfall would decrease over the next 60 years.

Things also became noticeably warmer up north in 2007. The US National Oceanic and Atmospheric Administration in March recorded the northern hemisphere's warmest winter since records began in 1880.

Combined land/ocean surface temperatures were 0.72 degrees above the 20th-century average, and January was the hottest on record.

While the science community toiled over the planet's future, in August the Yangtze River dolphin was declared officially extinct, although later that month a possible sighting was reported.

On our TV screens, The Great Global Warming Swindle documentary attempted to provide an antidote to 2006's An Inconvenient

continued page 28

first successful

vanished from the

24 The Royal Women's Hospital is given approval by health authorities to prescribe the abortion pill RU486

25 Australia's \$8 billion horse-racing industry is in crisis as thoroughbred and harness racing is banned for at least 72 hours due to the spread of the equine influenza

26 Greece declares a state of emergency as forest fires kill more people and threaten ancient

27 A total lunar eclipse.



Clockwise from above: The Yangtze River dolphin which was declared extinct in August (picture: Courtesy Chinese Academy of Science); a water patrol officer on the beat (picture: SANDY SCHELTEMA); and finally the rains came, causing floods around Paynesville, South Gippsland (picture: WAYNE TAYLOR).







The dams supplying Melbourne dropped to just 28.4 per cent of their capacity.

### from page 27

*Truth* by arguing that climate change was not caused by human activity. The ABC sparked fierce criticism and debate when it bought the film to Australian television from a controversial British production company.

On the energy front, then Prime Minister John Howard finally agreed that Australia needed a compulsory emissions trading scheme, to be launched in 2012.

Kevin Rudd arrived on the international stage to rapturous applause when he announced Australia's ratification of the Kyoto treaty at climate change talks in Bali.

The December talks to develop a roadmap for post-Kyoto emissions targets were tense and fraught. The outcome means world leaders head to Copenhagen, Denmark, in 2009 broadly committed to reducing emissions without having named specific targets.

While climate change loomed like a dark cloud, water was an immediate concern. City folk faced tough restrictions, and farmers culled cattle because of the brutal drought.

The dams supplying water to Melbourne dropped to just 28.4 per cent of their capacity in June, holding just over 500 billion litres, their lowest point since the "drought-proofing" Thomson Dam came online in 1984.

Also in June, the State Government jumped on board the desalination express. Then Premier Steve Bracks unveiled a \$4.9 billion double-barrelled plan to secure Melbourne's future water supplies: a desalination plant near Wonthaggi in Gippsland, and the modernisation of irrigation systems in the Goulburn Valley food bowl.

The first should deliver 150 billion litres of drinking water a year by 2012, and the second is expected to send 75 billion litres a year to Melbourne. But both projects provoked heated debate and community angst.

Antagonism about water supplies between city and country folk was heightened when



In April, it introduced stage 3a, a new level

**DECEMBER 30, 2007** 

continue watering their gardens twice a week through the big dry. Victoria was also in the front line of the stoush between the states and the Federal Government over the controversial \$10 billion National Plan For Water Security. Unveiled in

of restriction that allowed Melburnians to

January by John Howard, it revolved around a federal seizure of the nation's river systems, principally the Murray-Darling basin.

In March, conservation group the WWF declared the Murray-Darling among the 10

most endangered river systems in the world. But Victoria refused to cede its powers to the Commonwealth, arguing that the state's farmers would get a raw deal. A war of words followed through the year until the Howard Government decided to proceed with the legislation without Victoria's backing.

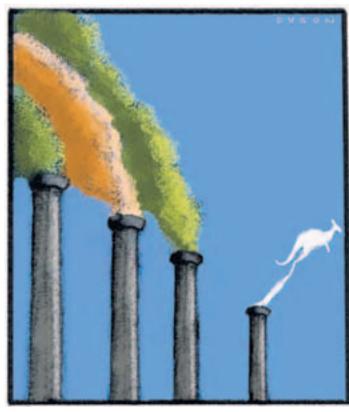
It was another annus horribilis for many farmers. In September, Murray Darling Basin Commission chief Wendy Craik declared that irrigators faced their worst summer. The statement probably contributed to a September quarter business review in which farmers' confidence in the future was said to have fallen sharply in the June quarter.

While lack of water made the news with depressing regularity, parts of Gippsland experienced the hardship of flooding twice. The worst storms in almost a decade hit Victoria during June, leaving thousands of Gippsland residents stranded and swamped for days. In early November, residents were again hit, by less severe but still damaging floods.

There was one positive flow-on effect, however – 19.5 billion litres of water poured into Melbourne's dams, the biggest single-day influx since 1984.

> Rachel Kleinman writes on environment and water for The Age





as once again lengthy dry spells are broken with floods. Picture: Craig Abraham. Left: Andrew Dyson's view on climate change policies in Australia.

Farmlands are awash near Heyfield, Gippsland, in November



Barry Humphries in the Fitzroy Gardens ... and in the heart of his home town which he so often chides.

Picture: CRAIG SILLITOE

## The cost of culture

The Bazzas recalled an era past, while the art world went silly, writes **Gabriella** Coslovich.

HE YEAR began in the grip of cultural nostalgia: a remake of David Williamson's quintessential election night booze-up Don's Party at the Melbourne Theatre Company, Barry Humphries (and Les

and Edna and Sandy) back with a vengeance at the State Theatre; and the DVD release of the 1972 ocker film classic The Adventures of Barry McKenzie.

These paragons of Australiana uncannily set the tone for a "debate" about the national identity, the introduction of citizenship tests, the expunging of the word "multiculturalism" from Howard Government letterheads, the birth of the Department of Immigration and Citizenship and the November election.

The return of the two Bazzas and the legendary Don had many yearning for those larrikin-soaked old days when "mate" was a

term of endearment for one's drinking buddies (and an antonym for "sheila"), not a loaded term to be injected into the constitution with the intention of rigidly defining us all.

Barry Humphries' less-than-flattering pronouncements on his home town continued to rile the insecure and humourless, but Melbourne Mayor John So's flagrant infatuation with Humphries' alter ego, Dame Edna, burned as brightly as ever.

In March, a mere seven months after being given the keys to the city, Dame Edna was honoured with yet another piece of the town she loves to mock – the prosaically named Brown Alley, a lane off Little Collins Street, which was rechristened Dame Edna Place, in a quaint little gesture that will no doubt feature in one of the Dame's future send-ups of her so-very-common home town.

A power higher than John So was handing out honours in April to an Australian expat and Hollywood star whose dress sense on the day was discussed with more fervour than the honour itself. Governor-General Michael Jeffery presented actor Nicole Kidman with the Companion in the General Division in the Order of Australia. Perhaps bamboozled by the mind-numbing length of the title, Kidman's usual elegance seemed to fail her on the day – aiming for demure, she disappeared into a drab, satin dress, the colour of which approximated her skin. Where the one ended and the other began was difficult to ascertain.

On the other hand, a man more typically known for his drabness showed his flamboyant side on the Channel Nine show Mornings, with the effervescent Kerri-Anne Kennerley, who encouraged prime ministerial aspirant Kevin Rudd to speak Mandarin, lay some bricks and dance like a Cuban. The performance, sadly, would remain the cultural apotheosis of an inestimably dull election year - the pranks of ABC Television's Chaser team and the John





Howard Ladies' Auxiliary Fan Club aside.

opponents with a fatally sharp wit. John

Winston Howard would have done well to

heed the prophetic words of Keating (aka

beginning is in the end."

Mike McLeish) who crooned: "My friend, the

April also saw Victorian Arts Minister

arts precinct, which would connect St Kilda

Road to Sturt Street, creating a huge, sloping,

pedestrian boulevard linking the Arts Centre

and National Gallery of Victoria to the

the Arts and Australian Centre for

Malthouse Theatre, Victorian College of

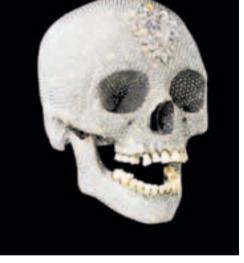
Contemporary Art. Great idea, with a small

planned \$200 million revamp of the Southbank

Lynne Kosky release the first images of a

The return of *Keating! The Musical* – the





catch - the finances have yet to be finalised.

The art auction world, meanwhile, was awash bigger, better, glitzier version directed by Neil with money. The booming economy prompted Armfield – reminded all of a far more colorful a battle of egos on the auction front, as works age when the ruler of the land fancied himself by Whiteley, Brack, Possum and Kngwarreye as a political Placido Domingo and speared his became the status symbols du jour. The buying frenzy began to rev up in May

when Emily Kame Kngwarreye's Earth's Creation (1995) became the first work by an Aboriginal artist to sell for more than \$1 million. Tim Jennings from Alice Springs' Mbantua Gallery paid \$1.056 million for the work at the Lawson-Menzies Aboriginal Art Auction in Sydney. Two months later the record was superseded when the National Gallery of Australia paid \$2.4 million for Clifford Possum Tjapaltjarri's sprawling work Warlugulong (1977) at Sotheby's in Melbourne.

The gaping chasm between the money to be made on the back of Aboriginal cultural endeavour and the reality of life in remote

Aboriginal communities would also become achingly apparent during the year.

As always, dead white males ruled – the top price fetched at auction this year was \$3.48 million, for Brett Whiteley's The Olgas for Ernest Giles, at Deutscher-Menzies in Sydney. Melbourne art dealer John Playfoot placed the winning bid on the painting and is believed to have bought it for Morry Fraid, co-owner of the Spotlight fabric chain, although Playfoot continues to vehemently deny it.

But the big bucks paid for oil on canvas were not nearly as novel as the astounding price spent for a five-minute, 37-second video of a man pirouetting on his skateboard in front of a stormy Bondi beach. Storm Sequence, by Shaun Gladwell (the artist and skater featured in the work), became the first piece of video art to be sold in Australia, and fetched \$84,000 at Sotheby's Melbourne, in August.

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Clockwise from far left, bottom: Australian Ballet's Steven Heathcote takes his final curtain call (picture: MICHAEL CLAYTON-JONES); Ivan Liberto and Pamela Yvonne Liberto leaving the County Court in Melbourne (picture: JOSH ROBENSTONE); Dancer Tanja Liedtke who wasknocked down and killed by a truck (picture: ROBERT PEARCE); Shaun Gladwell's Storm Sequence: the diamondencrusted skull The Love of God (picture: REUTERS).

1 Kevin Sheedy coaches his last AFL game for James Hird plays his last AFL game. Tenor Luciano
Pavarotti dies from pancreatic cancer, aged 71.

9 Osama Bin Laden "addresses" the US via video with his first sneech in nearly three years. No specific direct threats are

10 Queensland Premier Peter Beattie announces his resignation.

12 Japan's Prime Minister Shinzo Abe

Clare Oliver dies at the age of 26. She claimed she developed skin cancer after visiting

15 Three-year-old Qian Xun Xue. nicknamed Pumpkin, is abandoned by her father at Southern Cross Station before he flees to the US. Her mother is found murdered in NZ on September 19.

18 Football great Len Thompson dies of a heart attack at the age of 60.

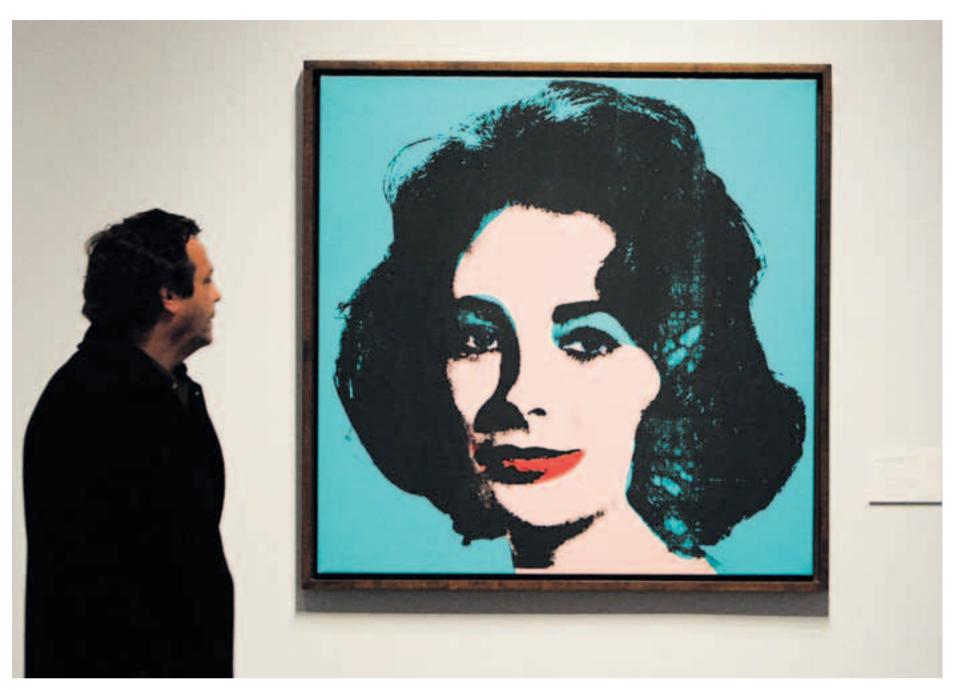
24 Geelong footballer Jimmy Bartel wins the Browlow Medal. 26 Violence erupts at a demonstration in Rangoon Burma

It is the biggest protest campaign in the country in 20

29 Geelong beats Port Adelaide by 119 points in the Grand Final, winning its first premiership in 44 years and recording the biggest margin in

a grand final. 30 Melbourne Storm wins the NRL grand final against Manly. 30 Former West Coast star

Chris Mainwaring dies of a suspected heart attack, aged



Andy Warhol's silk-screen image of Elizabeth Taylor - Liz - which sold for more than \$23 million, delivering owner Hugh Grant a whopping profit.

Picture: AFP

### from page 31

And yet, for all the posturings of its millionaire art-collecting males, the happenings on Australia's auction circuit were piddling in comparison with events in New York and London. A painting by the late American artist Mark Rothko – White Center (Yellow, Pink and Lavender on Rose), from the collection of American billionaire David Rockefeller – sold for \$US73 million (\$A88 million) at Sotheby's in New York, setting a record for the artist and for a work of art created since World War II.

British artist Damien Hirst, best known for pickling sharks and bisecting cows, encapsulated the absurdity of it all in his sublimely perverse diamond-encrusted skull, titled *For The Love of God.* The life-sized platinum skull, covered in 8601 flawless, pave-set diamonds, exhibited in London's White Cube gallery, sold for \$US100 million (\$A121.8 million) to an unnamed investment group.

In July, the man who put the sex into *Spartacus*, the Australian Ballet's Steven Heathcote, danced his last as principal artist with the company, retiring after 24 years. July was swan-song time for Harry Potter, too (was that a sigh of relief?), as J.K. Rowling's seventh and final instalment of the boy wizard, *Harry Potter and the Deathly Hallows*, went on sale and Potter fans duly went berserk.

The year also marked the passing of two wildly diverse talents – the man with the super lungs, Italian operatic superstar Luciano Pavarotti, who died aged 71, and the master of the silent gesture, French mime artist Marcel Marceau, aged 84.

Closer to home, Berlin-born, Melbourne-based photographer Wolfgang Sievers died aged 93, but not before making a remarkable gesture – donating several hundred of his photographs, worth up to \$1 million, to raise money for justice and civil liberties.

The untimely death in August of Germanborn dancer Tanja Liedtke shocked the art world. Liedtke's rising career – she had just been appointed artistic director of the Sydney Dance Company – was tragically cut short after she was knocked down and killed by a garbage truck as she crossed the Pacific Highway at Crows Nest, on Sydney's lower north shore.

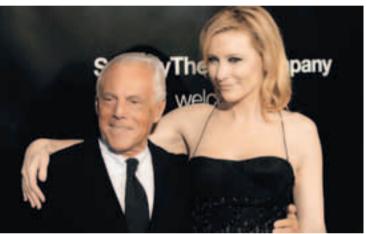
In the world of home-grown theatre, the greatest ripples were being caused by the impossibly unflappable Cate Blanchett, another of Australia's exports to Hollywood. Blanchett's appointment as co-artistic director of the Sydney Theatre Company (with hubby Andrew Upton) continued to attract criticism. Most notable was former STC actor Colin Moody's vitriolic assessment. He argued that "an Oscar for acting is not a suitable recommendation to run the biggest theatre company in the country"

The perennially poised Blanchett brushed off the criticisms. Really, who cares when one has the backing of an international fashion legend, Giorgio Armani? The spectre of Moody was blinked away, as Armani, the STC's new patron, flew into Australia for the first time and for a photo opportunity with Blanchett, Upton and former STC artistic director Robin Nevin. Such is the pulling power of a Hollywood star.

Over at the National Gallery of Victoria, the pulling power of one very big name – Vincent Van Gogh – proved to be one very big dud. In August, a clearly dismayed director of the NGV, Dr Gerard Vaughan, soberly declared (after an







Clockwise from left: Mark Rothko's White Center (Yellow, Pink and Lavender on Rose), which sold for \$88 million (picture: AFP); NGV director Dr Gerard Vaughan breaking the news that Head of a Man was not by Van Gogh (picture: GARY MEDLICOTT); Nicole Kidman after receiving the Companion in the General Division in the Order of Australia (picture: ANDREW TAYLOR); Giorgio Armani and Cate Blanchett in Sydney (picture: DALLAS KII PONFN)

interminably long preamble) that the painting *Head of a Man* was "not by the hand of Vincent Van Gogh" at all. The conclusion, reached after a meticulous investigation by Amsterdam's Van Gogh Museum and the Institute of Dutch Cultural Heritage, wiped as much as \$20 million from the value of the NGV's \$2.5 billion collection.

After last year's embarrassing legal stoush with former curator Geoffrey Smith, the NGV would have been hoping to present a shinier public face. Alas, it wasn't entirely to be. Apart from the artist formerly known as Vince, the NGV had also to deal with claims that another far more obscure work in its collection, *Lady with a Fan*, was Nazi loot.

Until the man making the claims – Chilean Juan Carlos Emden – can prove that the painting was stolen from his grandfather by the Nazi regime (and thus far he has not satisfied the NGV of such), the work remains in the possession of the Victorian public.

Some good news was to be had, at least, on the exhibition front – the NGV's Australian Impressionism show was a hit, attracting 140,000 visitors, a record for the NGV Australia, at Federation Square.

The much-anticipated Guggenheim exhibition, over at St Kilda Road, fared even better, attracting 180,173 people, thus making it one of the top seven shows ever staged by the NGV.

Melbourne, meanwhile, which likes to think of itself as Australia's design capital, was put on notice by an unlikely northern rival – Brisbane. The State Library of Queensland, redeveloped by Brisbane firms Donovan Hill and Peddle Thorp, was named Australia's best public building at the national architecture awards in October, beating Melbourne's ode to the sand dune, or bosom, if you prefer, Southern Cross Station.

Not so winning were the antics of Toorak couple Pamela Yvonne Liberto, 65, and Ivan Liberto, 67, who funded their lavish lifestyle by forging the works of the late indigenous artist Rover Thomas and selling it through auction houses, pocketing more than \$300,000 before suspicions were raised. They were sentenced to three years jail last month.

It pays, though, to invest in the real thing, as floppy-haired English actor Hugh Grant

showed. Six years ago, Grant paid \$US3.6 million for an Andy Warhol silk-screen image of Elizabeth Taylor. Last month, he sold it at a Christie's auction in New York for more than \$A23 million (\$US21 million) – almost six times what he had paid for it, and roughly equivalent to his yearly income. A textbook case of the rich getting richer.

The year ended as it began, with a flurry of invitations being sent (dress code: strictly `70s) to a slurry of Don's Parties (BYO slabs) on that fateful election night. Artists' suspected leftwing tendencies were confirmed when actor David Wenham, surely the sexiest "ranga" on the planet, appeared on the hustings to support the equally appealing Maxine McKew. (No Young Libs, she does not need a facelift.) The (old fogey) Liberals didn't even try to ingratiate themselves with the arts crowd, omitting altogether to launch an arts policy. Peter Garrett, formerly of the "Oils" and at present on Team Kevin, did, and was eventually named Minister for Environment, Heritage and the (tag along) Arts.

Gabriella Coslovich covers the arts for *The Age*.

dies aged 90.

13 White-collar criminal Rodney Adler is released from prison after serving two-and-a-half years.

14 Casey Stoner

ARTS THE YEAR IN REVIEW THE AGE 33

4. Gunns Ltd wins Federal approval to build a pulp mill in

Robert
Farquharson
found guilty of
drowning his three
sons in a dam near
Winchelsea on
Father's Day, 2005.
Richard Pratt
admits he and
his company, Visy
Board, colluded
with rival Amcor to
set box prices.
Romer
federal ALP
MP Kim Beazley Snr

Stoner
wins the Australian
Grand Prix at Phillip
Island.

Ben Cousins is sacked by the West Coast Eagles.

An attempt to murder Benazir Bhutto kills more than 140 and

injures 400 in a bombing in Karachi.

20 Tennis authorities release a dossier alleging that up to

140 matches have

been fixed globally.

20 South
Africa
defeats England in
the Rugby World
Cup final in Paris.

John
Ilhan, CEO
of Crazy John's
mobile phone
business, dies of
a heart attack,
aged 42.

24 Carol Matthey, who was accused of murdering her four children, walks free as the charges against her are withdrawn.

28 Nick Cave is inducted into the ARIA Hall of Fame.



The nose-to-nose scene between Captain Barbossa (Geoffrey Rush) and Captain Jack Sparrow (Johnny Depp) from Pirates of the Carribean: At World's End.

## Sequels upon sequels

It was a cinematic year of following the formula, writes Jim Schembri.

FTHE vear in cinema proved anything, it was that any film that was worth doing once, and then twice, was worth pushing out for a third ime at bat.

The rash of sequels-to-sequels at the multiplex did not stamp 2007 as a banner year for originality. It did, however, prove that the Old Hollywood saying, "If it ain't broke, don't fix it', translates in New Hollywood as: "If it works, then franchise the living daylights out of it." That's what 2007 was: The Year of Part 3.

First out of the gate was Spider-Man 3, a glorious tangle of subplots and special effects in which Peter Parker (Tobey Maguire) did war with his darker self, Kirsten Dunst and a giant villain made of sand. It was a monster hit, thanks largely to a marketing campaign so intense that even people on Jupiter booked tickets to see it.

Then the Part 3s came thick and fast: Pirates of the Caribbean: At World's End; Ocean's 13; The Bourne Ultimatum; Rush Hour 3; why, we even got a Resident Evil 3, in which Milla Jovovich did what she does best, which is shoot people. And, of course, there was yet another Shrek.

*Shrek the Third* – to give it its proper title – was a runaway smash and looked like being the biggest film of the year. But then it got out-franchised by a short, nerdy, four-eyed schoolkid with a stick in one hand and a large royalty cheque in the other.

Harry Potter and the Order of the Phoenix was not so much released into multiplexes as unleashed. Carefully timed with the release of the final HP book by J.K. Rowling, *Phoenix* surfed in on a tsunami of hype matched only by universally glowing reviews and the obsessive devotion of Harry Potter fans, some of whom are under 40. The film went on to become the most popular film of 2007, and the franchise is now officially bigger than Bond.

But enough of Part 3s and Part 5s. It was a good year for Part 4s, too. The boys behind the successful Saw horror movie franchise kept the blood running free with a gore-soaked Saw IV, and Die Hard 4.0 pulled off the artistic highwire act of the year by successfully reviving an action movie franchise that had been inert for 12 years. It's films such as this that deserve screenplay Oscars, not endless adaptations of Lady Chatterley's Lover.

The mega-success of The Simpsons Movie and Transformers marked them as the debut instalments of film franchises, and we saw the graceful end of a 30-year-old series with Rocky Balboa, Sylvester Stallone's surprisingly moving farewell to his best-known character (not counting his country singer from Rhinestone, of course).

To get technical about it, the only pure-bred sequel of the year was Fantastic Four: Rise of the Silver Surfer, which wasn't a hit with critics, but made enough money to guarantee Jessica Alba







another shot at squeezing into that Lycra onepiece to keep her waning box-office credibility afloat.

We got more post-9/11 ruminations on the big screen this year. There was Reign Over Me, in which comic actor Adam Sandler played a man with a growing yearning to win an Oscar. Lions for Lambs was director Robert Redford's fiery think-piece about the war on terror, the liberal mindset, and what brand of teeth whitener Tom Cruise uses.

And there was *The Kingdom*, an action movie with a message, namely that all the world's problems would go away if we just sent Jennifer Garner to the Middle East and got her to drill all the jihadists with a machine gun. Only one of these films got big audiences. Take a wild guess which one.

Speaking of wild, it was a great year for John Travolta. In the smash comedy Wild Hogs he rode a motorcycle, and in the smash musical comedy *Hairspray* he wore a fat suit in drag. A Wild Hogs 2 is under way, and the Hairspray producers are thinking of a sequel in which Travolta joins the Peace Corps and goes to Vietnam to work as a volunteer hair stylist for the troops.

Blades of Glory, Knocked Up, Mr Bean's Holiday, Music & Lyrics, Hot Fuzz and the surprise hit *Death at a Funeral* were the best – or, at least, the most popular – offerings in a fairly dismal year for comedy.

Epic Movie, Reno: 9/11 and Venus were



awful, but you know things are really bad when Robin Williams chimes in with not one but two stinkers to add to his register of duds.

In Man of the Year he played a comedian who becomes a politician (yuk, yuk), and in *License to Wed* he was a wisecracking priest who belatedly learns that servitude to God means he can't crack jokes about hard-ons.

But Williams wasn't the only \$25-million-afilm star not to earn his keep.

The year was positively strewn with A-list flops. Jim Carrey in The Number 23; Angelina Jolie in A Mighty Heart; Halle Berry in Perfect Stranger, Hilary Swank in The Reaping; Brad Pitt in The Boring Movie With the Very Long Title About Jesse James; Clint Eastwood's The Sands of Iwo Jima; George Clooney in The Good German; Hugh Jackman in The Fountain; Ben Affleck in Hollywoodland; Sandra Bullock in Premonition; Michael Moore's Sicko.

And Nicole, Poor Nicole

For all her fame and celebrity and talent, 2007 merely highlighted her disconnect with audiences, both at the arthouse (Fur) and at the multiplex (The Invasion). Indeed, since her 2002 Oscar for *The Hours*, her only association with any kind of success has been Happy Feet, in which she voiced a CG penguin. We still love her, but she sure can't pick 'em the way she used to.

As is often the case, the arthouses played host to some of the year's most acclaimed films: The Lives of Others; Pan's Labyrinth; The



Year, a scene from Spiderman 3 (picture: Courtesy Columbia Pictures): Matt Damon in The Rourne Illtimatum a scene from Shrek the Third (picture: DreamWorks Animation).

Illusionist; This is England; Paris, Je T'aime; The Italian; Perfume; Black Book; The Dead Girl; and *Infamous*, a superb film about Truman Capote's writing of In Cold Blood that distinguished itself from 2005's Capote, a similar film that had the good fortune of coming out first.

Among the choice offerings at the arthouse were two extraordinary films about child abuse.

The documentary Deliver Us From Evil chronicled the unashamed confessions of a Catholic priest who wantonly abused his authority to rape children for decades while being protected by the church. It was easily the most unsettling non-fiction film of the year.

Easily one of the most unsettling fiction films of the year was Little Children, in which director Todd Field (In the Bedroom) explored the dark undercurrents of suburban life when a child sex offender is released from prison and placed back into the community. Although its public was small, it was a dramatically potent film, with Oscar-nominated performances by Kate Winslet as a young mother, and Jackie Earle Haley in the immeasurably difficult role as the former child molester.

After a few strong years, it was a flat year for Australian cinema. There were some fine films - Romulus, My Father, The Home Song Stories, Noise, The Jammed – but the industry failed to deliver a mainstream hit. Rather, it retreated to the comfort zone of the arthouse circuit, where rationalising a film's tiny audience is much easier than justifying why taxpayers' dollars have again been spent on a movie nobody wants to see.

Jim Schembri is a film writer for *The Age*.

8 Australian surfer Mick Fanning wins the world champion ship, the first Australian to achieve the feat for eight years.

9 Victoria Police Assistant Commissioner Noe Ashby resigns, and nolice media director Stephen Linnell is suspended by Chief Commissione Christine Nixon. Ashby and Linnell were recorded discussing confidential OPI hearings.

10 Jockey Nakita Berman becomes the first Victorian woman to ride a group 1 winner in Melbourne. Kel Nagle the fifth Australian to be inducted into

the World Golf Hall 15 The secretary of the Victorian Police Union, Paul Mullett, is suspended from the force by Chief Christine Nixon. This follows a corruption inquiry

that suggested he had interfered in a

murder investiga-Robert Farquharson is given three life sentences with no chance of parole for the murder of his three children who drowned when he drove his car into a dam on Father's Day, 2005. 17 Australia beats New

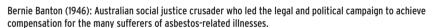
Zealand in Auckland to take the world netball title 19 The AFL Commis-

sion finds Ben Cousins guilty of bringing the game into disrepute and suspends him for 12

22 The 10th anniversary of niversary of the death of INXS singer Michael Hutchence.

24 The Australian Labor Party wins the federal election in a landslide Kevin Rudd is the new Prime Minister.





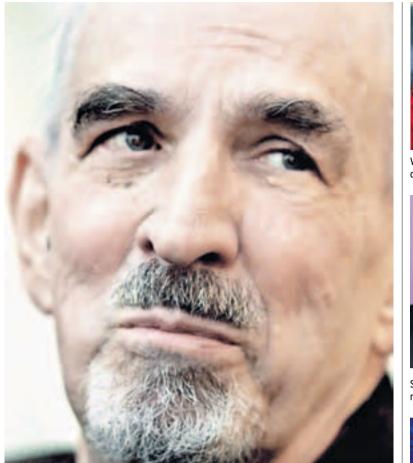


Luciano Pavarotti (1935): Italian singer whose ringing and pristine voice set new standards for operatic tenors in

# Footprints in history

The Age presents images of a some of the most prominent figures whose life journeys ended in 2007. They left their marks on just about every sphere of endeavour, ranging from science, medicine and the arts, to entertainment, sport and politics. The criteria for inclusion is that their deaths occurred this calendar year.

**GERRY CARMAN** 



Ingmar Bergman (1918): filmmaker and screen writer





Betty Hutton (1921):





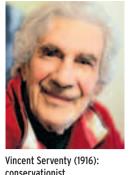
Freddo Frog inventor



Ron Evans (1939):



Wally Schirra (1923): pioneering astronaut







television evangelist



Guy de Rothschild (1909):





Yvonne de Carlo (1922):



Mustafa "Crazy John" Ilhan



Lady Bird Johnson (1912): wife of US president





















DEATHS THE YEAR IN REVIEW THE SUNDAY AGE 37









Carlo Ponti (1912):





38 THE SUNDAY AGE THE YEAR IN REVIEW DEATHS **DECEMBER 30, 2007** 

canoeist John Darwin, missing for five years and presumed dead. , walks into a police station and claims amnesia. In fact, he had been hiding in the family home to escape debts. 2 Garth Tander wins the

V8 Supercars championship in last race of season.

at Phillin Island 3 Australia, under the new Rudd Government, ratifies the Kyoto

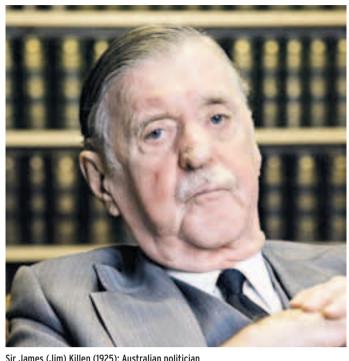
5 A state funeral s held for Bernie Banton, the crusader for from James Hardie Industries.

the first woman to act as Australian Prime Minister

declare Maxine McKew winner of the seat of Bennelong, making John Howard only the second PM in Australian history to lose his seat.

12 Musician and songwriter Ike Kurt Waldheim (1918): Turner dies at the

is wiped off the value of Australian shares as shock waves spread from revelations by America's second biggest shopping mall owner that it is in distress.





UN Secretary-

General and Austrian president

Boris Yeltsin (1931):

first popularly

























Ted Pritchard (1930):







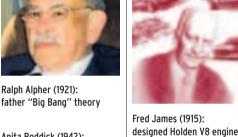
developed instant noodles

(1928): Aboriginal leader















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