

“Sound the alarm bells, set the greenies loose on my door: I wanna try a whale burger.”

Michael Evans, News Review



Traveller
Five-star luxury in Fiji



Holden hearts

Gideon Haigh on a troubled Aussie icon

Good Weekend

WEEKEND

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Michael Douglas
on playing
Liberace

Spectrum

Andrew Hornery
in Las Vegas **PS**

The Sydney Morning Herald

FBI gets access to Telstra records

Linton Besser
Investigations

Telstra agreed more than a decade ago to store huge volumes of electronic communications it carried between Asia and the US for potential surveillance by US intelligence agencies, in a secret agreement with the FBI and the US Department of Justice.

On Friday, Telstra was refusing to say whether it had similar data retention agreements with other nations' intelligence agencies, including those in Australia.

Australia's other major telco, Optus, declined to say whether it stored data for potential surveillance by US, or Australian, authorities.

Under the previously secret US agreement, Telstra has been sending all communications involving a US point of contact through a secure storage facility on US soil that is staffed exclusively by US citizens carrying a top-level security clearance. The data includes the content of emails, online messages and phone calls.

Under the November 2001 agreement, signed when Telstra was 50.1 per cent government-owned, the FBI and Justice Department also demanded Telstra "provide technical or other assistance to facilitate ... electronic surveillance".

The *Herald* has confirmed that as recently as March 2011, the agreement was still operational. Telstra has declined to answer detailed questions about it.

The revelations come as the British and US governments reel from the leaking of sensitive intelligence material detailing a vast electronic spying apparatus being used against foreign nationals and their own citizens.

On Friday the Greens called for Telstra to disclose all details of the contract, labelling it an "invasion of privacy and erosion of Australia's sovereignty". Karl Reed, an adjunct associate professor of computer science at La Trobe University, said the agreement was a serious concern. "An Australian corporate entity providing critical infrastructure is acquiescing to demands of a foreign country. What would Telstra have done if it was China asking?"

The contract was prompted by Telstra's undersea telecommu-

nications joint venture called Reach. When it sought a cable licence from the US Federal Communications Commission, the DoJ and the FBI insisted on a binding security agreement.

The contract does not authorise Telstra or law enforcement agencies to undertake surveillance. But under the deed, Telstra must preserve and "have the ability to provide" wire and electronic communications involving any customers who make any form of communication with a point of contact in the US, as well as "transactional data" and "call associated data" relating to such communications.

The US facility had to be staffed by US citizens "eligible for appropriate US security clearances" who "shall be available 24 hours per day, seven days per week, and shall be responsible for accepting service and maintaining the security of classified information".

The document was signed by Douglas Gratton, a barrister who was then Telstra's company secretary and official liaison for law enforcement and national security agencies.

He told the *Herald* he could not remember much about the agreement. "Every country has a regime for that lawful interception," he said. "And Australia has got it as well."

In 2011, Reach was restructured, giving Telstra control of most of the undersea cables. Telstra notified the DoJ and the FBI of the detail of the restructure.

Telstra spokesman Scott Whiffin said the agreement was required under US domestic law. "It relates to a Telstra joint venture company's operating obligations in the United States under their domestic law. We understand similar agreements would be in place for all network infrastructure in the US ... Here or overseas, carriers are legally required to provide various forms of assistance to government agencies."

Optus spokesman Joshua Drayton would say only: "Optus handles all of its customer information strictly in accordance with its legal obligations under Australian law."

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who made his bat. Photos: Getty, Sebastian Costanzo

Ashton's fairytale Ashes beginning

Andrew Webster, Jared Lynch

When Ashton Agar blazed his way into history at Trent Bridge, he wasn't just making runs for himself but also for his friend sitting at home in Melbourne.

As the cricketing world came to grips with the 19-year-old's astonishing 98 from 101 balls—a world record score for a No. 11 batsman—his former club captain Michael Sheedy knew the weapon of choice was a bat he had made.

Sheedy began Tails Never Fail, a boutique bat manufacturer, two years ago. He has made about 400 bats.

And now? "I could probably sell 400 next week if I had them," Sheedy said.

When Agar made his first appearance in Victorian district cricket four years ago, the then 15-year-old from Melbourne's eastern suburbs was immediately dubbed "Bambi" because of his gangly frame. He then dismissed two Victorian players with successive deliveries.

"This is a bit of fun, isn't it?" he told Sheedy.

Amid the excitement of his Ashes innings, Agar could almost be forgotten that Agar was selected as a left-arm spinner.

He flicked Sheedy a message just before it became public knowledge that the biggest selection gamble in recent memory was unfolding at Trent Bridge.

Says Sheedy: "He sent me this text about 10 minutes before he got presented his baggy green and he said: 'Hey mate, are you watching the cricket tonight. Ha ha. Enjoy'."

"I thought, 'Right, he's playing.' That's his sense of humour." Agar's history-making knock might not secure victory against England but his unaffected approach is refreshing.

When he fell two runs short of a hundred on debut in the first

Ashes Test on Thursday night, he didn't storm from the field at Trent Bridge, blame someone else for his misfortune and then angrily thumb through his smartphone in the dressing room.

Instead, he shrugged his shoulders, giggled like he'd just been caught in the backyard via the one-hand, one-bounce rule and then leant over the boundary to apologise to his mother, Sonya, as he left the arena.

"Sorry about that," the 19-year-old told her.

Why he felt the need to apologise only he knows, because in the space of one innings a player only cricket enthusiasts had previously heard of has breathed fresh life into Australian cricket.

'It's a dream come true really, that's what it is to me'

Ashton Agar

His bright attitude could not have come at a better time, such is the growing disconnect with over-preened and pampered players, that's what it is to me," Agar oozed afterwards. "Forever I've dreamt of playing Test cricket for Australia. For my debut to start the way it has, I'm over the moon, I'm very happy."

It seems like it's always been the case for Agar, who studies law and, until two months ago, hadn't been to England.

Good looking, articulate, intelligent, with an exotic heritage—his mother is Sri Lankan—and an aggressive batsman, Agar is already being touted as the complete package in terms of The Big Sell.

His agent Jason Bakker also manages Cadel Evans, and yesterday his phone was running hot.

More reports - Weekend Sport

Inner west beats east on home front

Toby Johnstone

Move over Mosman and Point Piper, Sydney has a new list of prestige suburbs.

Experts say it was only a matter of time before the inner west developed its prestige brand and this year an emerging "tribe mentality" means big ticket buyers have turned their backs on the east and lower north shore.

Despite headline-grabbing trophy home sales, Point Piper has clocked only six house sales of more than \$2 million this year. The bankers are clearly still feeling the lack of bonuses.

In Strathfield there have been 37 sales reported of more than \$2 million—more than Point Piper, Double Bay and Vaucluse.

SYDNEY'S NEW PRESTIGE SUBURBS*

- ▶ Balmain East
- ▶ Strathfield
- ▶ Glebe
- ▶ Darlinghurst
- ▶ Birchgrove
- ▶ Cronulla
- ▶ Sylvania Waters
- ▶ Randwick
- ▶ St Ives
- ▶ Wahroonga

* Based on proportion of total sales above \$2 million and high sale values in 2013.

"The market has definitely picked up this year," says Aaron Papadimitos from Devine Real Estate of Strathfield's rise. He said in terms of average block

size and proximity to good schools, Strathfield could compete with Point Piper.

That is why Andrew Wilson, senior economist at Australian Property Monitors, says Strathfield has earned its spot on APM's list of new prestige suburbs. "People are now paying big bucks for areas not typically regarded as prestigious," he said.

But a spate of strong sales was giving these areas "the feel of a new prestige environment," Dr Wilson said.

Closer to the city, Balmain East has had as many sales of more than \$2 million in the first six months of this year as in the whole of last year.

Far from its rough-and-tumble past, former housing com-

mission apartments are selling for well over \$1 million and a waterfront house has sold for \$8.65 million, eclipsing the suburb's record by a whopping \$3 million.

One of the top sales this year was a five-bedroom near waterfront house bought by Emma Allt-Graham and her husband, James, for \$2.87 million.

"We've been here 10 years and feel that it is much more preferable to Point Piper," said Ms Allt-Graham, a director at a recruitment agency. "It is closer to the city and there are better views on this side of the bridge."

The couple upgraded from a four-bedroom waterfront apartment in Balmain. "Our boys are

Continued Page 2

A harsh reality you won't see on TV

In his Top End reality TV show, Milton Jones presents as a larrikin stockman whose mustering skills have taken him from knockabout bull catcher to successful cattle baron. But there is another Jones business which, while similarly lucrative, seems unlikely to feature on TV. For years, the cattleman has been making a killing selling booze to hard-core alcoholics who live in Aboriginal communities.

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Casino wars

The competition watchdog is investigating an alleged secret proposal by James Packer to keep his casino empire out of Brisbane if Echo Entertainment, owner of the Star, agreed to let him into the Sydney market.

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