Latham’s Sudden Exit: a Political Victim of the Tsunami

Federal Labor was shell-shocked at the outcome of the 2004 election, and remained so for months. Its courageous gamble with the new leader, Mark Latham, had not paid off. He was not sufficiently marketable to the electorate and had spectacularly self-imploded during the six-week campaign (or, alternatively, been out-maneuved by the Prime Minister John Howard). Latham was openly spoken about as “damaged goods” by his own side of politics. Instead of “hanging onto his every word” many supporters were now analysing his off-the-cuff remarks to see whether they made sense or would damage the party. More worrying for Labor was that it had lost ground at the election (losing a net of five seats) making the task of winning in 2007 even more unlikely. With Labor’s primary vote standing at 37.6 per cent and its two-party preferred vote at 47.2 per cent, demoralisation was pronounced.

In the opinion polls, Labor fell further behind the Coalition following the election — down to 45 per cent to the Coalition’s 55 per cent on a two-party preferred basis in December, and 46 per cent to 54 per cent in February (Australian, 8 February 2005). While Howard sat on a satisfaction rating over 60 per cent, Latham’s own popularity dived from 54 per cent before the election to 34 per cent over Christmas and January.

In early January, events took a dramatic turn. While still on holiday, Mark Latham came in for serious scrutiny and criticism — especially from party colleagues. The immediate catalyst of his demise was Latham’s noticeable absence and silence over the horrific Tsunami disaster that hit Southeast Asia on Boxing Day 2004. His “no-show” after the tidal wave gradually became a major issue — especially after talkback radio was peppered with callers reporting he was seen enjoying himself at hotel resorts. Interestingly, it was not his federal party colleagues that stuck the knife in. Rather, it was three state premiers who criticised his leadership or urged the federal party to resolve its leadership difficulties (Bob Carr, Peter Beattie and Geoff Gallop, although some of the more trenchant criticism came from Gallop’s Treasurer Jim McGinty — anxious because the Western Australian Labor government was poised to commence its own election campaign and wanted the federal leadership issue neutralised). To stall for time, Latham said he would clarify the situation in a week’s time by making a major announcement. Instead, he sprung a major surprise by shaving his hair and then on 18 January announced his immediate resignation from both the leadership position and his seat of Werriwa. He cited unspecified health reasons for his decision.
With “Biff” Latham’s “inglorious exit”, federal Labor was thrown into further disarray. Beazley was first off the mark announcing his intention to run for the job again, but gradually a range of candidates positioned themselves for the leadership (including a range of “undeclared” candidates Julia Gillard, Kevin Rudd, Stephen Smith and Wayne Swan). However, one complication was that the position of deputy leader, held by Jenny Macklin, was not considered vacant and she was not interested in nominating for the top job. Gillard turned down offers from the right factions to back her if she quit the left and moved into the right; she then dropped out of the race. Unable to muster any significant numbers Kevin Rudd finally withdrew, leaving Beazley “the safe pair of hands” as the sole candidate. “Bomber” Beazley promised to “give John Howard the fight of his life” (Canberra Times, 29 January 2005), but his unchallenged run came at a cost — he had to agree to leave the existing front bench intact — allowing him no room to replace poorer performers with better talent. This meant that Lindsay Tanner, Craig Emerson, Bob McMullan, Carmen Lawrence and Tanya Plibersek remained frozen out on the backbench.

Yet, Labor’s woes continued under Beazley, with the national president Barry Jones warning in April that the party was too sclerotic and not sufficiently policy-focused. Beazley never overtook John Howard as the most preferred leader but satisfaction with his own performance gradually firmed. The Labor Party could take no solace from the Werriwa by-election held on 19 March, because even though the ALP’s Chris Hayes was elected (from a field of sixteen candidates), the Liberal party did not contest the poll. Meanwhile Bill Shorten, the secretary of the Australian Workers Union, urged Labor to embrace radical tax measures (including lower rates for high-earners) before announcing his intention to run for the federal seat of Maribyrnong in North Melbourne.

The Coalition Backbench Stirs: Talking up Howard’s Departure

Not content to bask in the glory of winning, the Coalition backbench began exercising its muscles — pushing two topics against the desires of the government — substantial tax reform (led by Mitch Fifield and Sophie Panopoulos, see Australian, 3 January 2005) and tougher laws on abortion (Ron Boswell). Other ambitious Coalitionists began talking up the prospect of a smooth leadership transition to install Peter Costello in the Lodge (a destabilising campaign very similar to one waged against Tony Blair after he won his third victory in the 2005 UK election). Initially, Howard let it be known he would like to remain in the leadership while he had the support of party colleagues (talking of his wish to preside over the APEC summit in Sydney in 2007 and lead the Coalition into the next election). Costello and his supporters were furious.

When Parliament resumed in February, disputes inside the party room were leaked to journalists — who obligingly ran stories about Howard being “out of touch” with his backbench over issues such as immigration, detention, and apologies to persons wrongfully detained such as Cornelia Rau (see below) (Australian, 21 February 2005). Howard had other difficult decisions to make, announcing in February a further 450 troops would be sent to Iraq, doubling the commitment and adding an extra $300 million per annum to the cost of the incursion. He also had to contend with a hostage drama in Iraq when businessman Douglas Wood made a plea for Australia to withdraw from the engagement before being released. Some commentators accused Howard of focusing only on politics, arguing that economic reform had stalled under Howard and Costello and that the “last years of the Howard Government have been years of lost opportunity” (Australian, 18 March 2005). Alby Schultz (Liberal, Hume), a former Howard supporter, publicly swapped to the Costello camp in March — and in the
process dumped one of Howard’s chosen appointees to head a parliamentary committee (for agriculture and fisheries). Schultz challenged and beat Peter Lindsay (Liberal, Townsville) in a rare vote for the position by 7:2.

With Costello wrestling with the Reserve Bank over a further interest rate increase in March, Howard made his most definitive statement yet, stating in late April that “he was enjoying the job immensely”, had “lots of energy for it” and was “not planning my post-prime ministerial life”. He indicated he would not make way for Costello (Weekend Australian, 30 April–1 May 2005). It was also reported that Howard’s right hand man Arthur Sinodinos (the PM’s chief of staff) had turned down the PM’s offer to become the Ambassador to the United States (Australian, 20 April 2005) — a clear indication he was planning to stay around working for Howard.

To newspaper headlines of “partnership in tatters” (Australian, 4 May), Costello rejected an “offer” to swap portfolios with Foreign Minister Alexander Downer. Instead, he reiterated he would begin to speak on a much wider range of topics and issues than economic concerns. But although he threatened this (and did make special trips to regional Australia and to Indigenous communities), he did not really live up to his promise. Rather, John Howard proved a more astute contributor to public debates — prompting discussions about the “lack of values” in state schools, national identity, abortion, and incursions into state responsibilities. Howard’s supporters also suggested that the party may insist on a “choice” at any forthcoming leadership change and made threats to block any “smooth transition” by challenging Costello if Howard did resign (Australian, 29 June 2005).

Another backbench coup occurred over the hard-line detention policy for illegal immigrants and asylum seekers. A group of small “l” liberals, led by Petro Georgiou (Kooyong), forced the government to concede a series of adjustments to its policy. They managed to secure visas for many who had been held in long-term detention and the release of all children from detention centres.

Other Coalition politicians had a few minutes of fame thrust upon them. The Health Minister was dragged into personal controversy in February when the mother of his long-lost “love child” (who was put out to adoption) confirmed she now knew the identity of the adoptee (Daniel O’Connor) who was by coincidence an ABC sound recordist covering national politics. She informed a “flabbergasted” Abbott about “his son” and a meeting between the two men was held in January. Once details of the reunion became front-page news it soon transpired that Abbott was not the biological father, rather it was another man who had once flatted with the mother. The rightwing accident-prone Senator Ross Lightfoot was involved in allegations that he had smuggled cash into Iraq in January for Woodside and had carried an AK-47 machine gun (allegations brought to a head by comments he made to a journalist). Lightfoot then claimed he had not personally carried the $20,000 cash donation. The Prime Minister intervened to help defend his hapless Senator, announcing he believed Lightfoot’s defence.

The Rau and Alvarez Cases lead to a Restructure of Immigration

Once a major source of its political support, the government’s tough stand on immigration suddenly became a great embarrassment. Details emerged of mentally-ill patients with Australian citizenship being either detained or deported by zealous or uncaring immigration officials. Two cases made significant public impact. Cornelia Rau (a Sydney woman of German descent) was illegally imprisoned for ten months in Queensland hospitals and prisons, and Baxter Detention Centre (South Australia). There were allegations she had been mistreated and not provided with proper medical
care. A second case, involving Vivian Alvarez (an Australian of Filipino descent), was even more disturbing. She had been disoriented after dropping her four-year old child at childcare in Brisbane in February 2001. After a series of incarcerations, emergency care and police visits, she was wrongfully deported by Immigration officials using Queensland police to escort her back to the Philippines where she was deposited in a catholic hospice (the son was transferred into foster care). When she was finally located in June 2005 she was transferred into a Manila apartment (paid for by the Australian government) but could not be brought back to Australia because her lawyers and the government could not agree on an appropriate compensation package. An investigation by the Ombudsman, John McMillan, was initiated.

The Rau case forced the government to call a private inquiry on 8 February headed by Mick Palmer (the former federal Police Commissioner). The Alvarez case was subsequently referred to his inquiry. Both cases put pressure on the Immigration Minister, Amanda Vanstone, and her department. She publicly called for her officials to be more flexible, more open to criticism and prepared to change practices. She also stated that while she did not “rule out disciplinary measures […] my focus is not on punishing the guilty but fixing the problem” (Australian, 20 May). Coalition backbenchers (such as Jackie Kelly, Warren Entsch and Malcolm Turnbull) publicly urged the government to apologise from the outset (as did a few ministers such as Costello). Howard eventually did apologise but only after Palmer’s investigation had concluded.

Palmer’s draft report was leaked in late June (with the final report released in July). It traced the pattern of errors and maladministration and warned that the system had poor record-keeping and accountabilities. There were also calls to improve the national register of missing persons. The secretary of the department (who had just received both a Public Service Medal and an Order of Australia), Bill Farmer, was unceremoniously shifted sideways (made Ambassador to Indonesia). His successor, Andrew Metcalfe, a national security expert from the Prime Minister’s office, had earlier worked in Immigration. Metcalfe believed the department had become “defensive and closed” and called for cultural change and significant improvements in decision-making (Canberra Times, 20 August 2005). There was also a purge of the deputy secretaries and division heads with expectations that a new senior executive would speed the change process.

Centralising and Re-centralising Policy

In March the government received the report of the Health Taskforce (led by former Public Service Commissioner Andrew Podger). The taskforce recommended options for the federal government to directly fund hospitals and remove block funding from the states and territories on a “cooperative” funder-deliverer model based on performance. The government deliberated the merits of the plan for two months before eventually the Prime Minister ruled out the option of directly funding public hospitals. The Health Minister Tony Abbott clarified the government’s position on 18 May, reaffirming that the government’s position was to retain the existing healthcare agreements involving block grants to the states.

Health and education were also not immune from Canberra’s policy grasp. John Howard stated that the federal government would intervene to improve services in traditional areas of state responsibilities such as education and industrial relations. Perceived skills shortages saw the Immigration Minister announce an increase in the skilled migrant intake to 100,000 (up 20,000) and plan a more national approach to skills training (taken up by COAG see below). Regional “business TAFEs” fully
fund by the Commonwealth were established in line with the Coalition’s election pledge of 2004. These twenty-four Commonwealth TAFEs were to teach traditional skills rather than esoteric pursuits — or as Education Minister Brendan Nelson said “more brickies and fewer belly-dancers” (Australian, 9 March). TAFE colleges were also urged to open to other training providers after hours. Nelson also began a strident campaign to abolish compulsory student union fees in universities and other tertiary institutions.

With the demise of ATSIC the government chose to deliver services to Indigenous Australians through the standard bureaucracy but configured to integrate services better. Ten special COAG sites were identified as test sites for the improved services. New models based on “shared responsibility agreements” were implemented (where communities would agree to do certain things in exchange for specified services). Each secretary was made a “champion” of one community — to promote the community’s interests, be a liaison point and ensure government agencies coordinated services. At the same time the government reduced the subsidies for the community development programs employing some 57,000 indigenous workers in remote communities, and introduced measures to force Aboriginal teenagers who quit school early to attend TAFE to complete their schooling (Australian, 22 April). In February Aboriginal activist Noel Pearson was appointed as a “welfare consultant” to the government.

Costello Beats up on the States

Further evidence of the Coalition’s preparedness to centralise decision-making, came to light when the Treasurer initiated two major stoushes with the states — first over port regulation and infrastructure, and second over the surrender of business taxes as part of the initial 1999 GST agreement. The Treasurer attacked the state’s regulation of ports when long delays were reported at the coal port Dalrymple Bay in Queensland. Costello argued that states were impeding growth and exports, and that a national system of port regulation could be imposed or ports could be brought under national competition laws. Stimulating a national debate, he threatened to “name and shame” the states that had a poor record in infrastructure planning or were failing to provide adequate facilities for business (Australian, 28 February). He also criticised the states for not having (or releasing) integrated future infrastructure plans. The states responded by threatening legal retaliations and non-cooperation with national business laws — a prospect that was met with alarm by the business sector.

On the GST issue, while the states claimed they only agreed to review their taxes by 2004-05 (and some had never intended to remove them), Costello charged them with deceit and threatened to financially penalise states that retained those business taxes listed in the intergovernmental agreement, now worth a total of $8.8 billion to the states. In March he gave the states six weeks to come back to him with “better” proposals. Costello had strong grounds for his argument — he was advocating tax cuts against Labor treasurers, he claimed the GST, now growing at around 9 per cent per annum and raising $36 billion, replaced the states’ taxes and duties so retaining them was double-taxation, and that the states had agreed to give them up within five years and were now reneging. The states found it hard to argue for the retention of these “impediment” taxes — but instead argued that services might be cut if the states were to abolish them and some states (notably Western Australia and New South Wales) argued that the GST payments were not fairly allocated. While state premiers were evasive, Costello pushed the issue relentlessly, gradually picking off one premier after another. The final outcome was that the states agreed to remove these business taxes by 2009 but at a time of their own choosing. Meanwhile, the Treasurer’s own advisory
agency, the Productivity Commission, produced a report in April recommending that the Commonwealth adopt a more conciliatory and cooperative approach to federalism and to the states in order that further economic reform could occur.

**Budget 2005-06 — Costello’s Bid for the Leadership**

The re-elected Coalition government pursued a conservative approach to the implementation of its election commitments preferring tax cuts to large increases in spending. The 2005-06 Budget offered $21.7 billion in tax cuts to PAYE taxpayers by significantly lifting the income threshold levels, abolished the superannuation surcharge for high income-earners, and established a “Future Fund” principally to meet the long-term liabilities of public servants’ superannuation. On the spending side, health, families and defence/national security were the big winners. The Medicare safety net was improved, assisting bulk-billing in regional areas, and extended programs were announced for cancer care and dementia sufferers. Family payments were increased and the level of income earnings while still receiving benefits was increased to $37,500. An additional $1.5 billion was committed to security measures including investigation skills, quarantine and the security of overseas missions.

A further tightening of welfare measures was announced, meaning that many recipients on income support would be forced into work from July 2006. Access to the disability pension was made more stringent, with incentives to get people back into work and requirements for regular health reviews of their disability. Single parents whose youngest child had turned six and commenced school could no longer claim the single parent benefits and had to look for work. ABS figures had reported in March that 3.8 million adults of working age (fifteen to sixty-nine) were not employed and two-thirds of these were not looking for employment (ABS, *Persons Not in the Labour Force*). An additional $2 billion was set aside for training and support services for those on benefits seeking work.

Labor criticised the Budget tax cuts for being too targeted towards high-income earners, and not directed towards middle to lower income families. Other commentators were more critical of the cuts believing they were too little, too late — a feeling with which many Coalition backbenchers apparently agreed. If the Budget was meant to hose down tax cut expectations, in reality it achieved the reverse.

Although $1 billion over five years had been committed as part of a Tsunami aid package to Indonesia in February (and formalised in the Budget), there was much criticism that virtually no money had arrived at the devastated areas months after it was promised. Australia also lost another helicopter in April — this time a Sea King naval helicopter on a relief mission in Indonesia, killing nine personnel and injuring two. The helicopter fleet was grounded while a report on the disaster and the air-worthiness of the fleet was undertaken.

**The Departure of the Deputy Prime Minister — and New Ministry**

The Deputy Prime Minister, John Anderson, announced his much expected departure from the ministry in June. He was the second Deputy Prime Minister to serve under Howard (after Tim Fischer). It was common knowledge Anderson had been considering resignation, and his immediate deputy in the National Party, Mark Vaile, had been urging him to go for some time. Anderson had a young family and told a press conference he had been diagnosed with prostate cancer. Anderson has also been under much political pressure over allegations that he had been involved in an attempt to bribe sitting Independent Tony Windsor (New England) before the last election.
Although resigning from the ministry, Anderson did not resign his seat, choosing to serve the rest of his term as a backbencher, averting the need for a by-election.

A minor ministerial reshuffle was announced on 6 July. As expected, Mark Vaile was elected by the Nationals to replace Anderson as leader — and thus become Deputy Prime Minister. Vaile elected to retain his Trade ministry. Retaining their three cabinet positions, the Nationals moved Warren Truss (Wide Bay) from Agriculture to Transport and Regional Services and promoted Peter McGauran (Gippsland) to cabinet in the Agriculture, Fisheries and Forestry portfolio. John Cobb (Parkes) was promoted from parliamentary secretary to Minister for Citizenship and Multicultural Affairs, while Senator Sandy Macdonald joined the outer ministry as parliamentary secretary for Trade under Vaile. John Howard declined the opportunity to make any changes to his Liberal ministerial line-up. The full ministry remained at forty-three.

COAG
The Council of Australian Governments met in Canberra on 3 June in a spirit of harmony. The main topics of agreement were an extension of national competition policy, a national approach to infrastructure planning, concerted action on skilling and the mutual recognition of trade qualifications, and an extensive review of the health system — in particular the funding of public hospitals in regional areas. The Commonwealth also sought to have a proposal to establish a national regulator for export infrastructure accepted but the states were less than enthusiastic. Other contentious issues such as workplace relations or the relative shares of the GST revenue were left off the agenda.

The Government Controls the Senate
Fifteen senators departed the Senate (fourteen at the end of June 2005 with one in April due to the early retirement of a departing member). This was one of the largest clean-outs of the upper house in recent decades. Four departing senators had over twenty years tenure (Brian Harradine, Nick Bolkus, Peter Cook, and Sue Knowles) with the Independent Harradine, aged seventy, having served for thirty years consecutively. Quite a number retired with sizeable annual pensions (up to $117,000 per annum indexed for life). Those with shorter terms still managed to accumulate lump sum payouts of $132,000 to $230,000. Press reports noted that the Commonwealth would pay Nick Bolkus over $3 million in pension if he lived to be ninety (Australian, 23 June 2005).

From 1 July the Coalition gained a working majority on the floor of the Senate with thirty-nine seats to Labor’s twenty-eight, the Greens four and Family First one. Effectively, four Democrat Senate positions were lost, taking their representation to just four. The government gave many undertakings in the months prior to their taking control that they would behave responsibly and respect Senate conventions. Critics were unconvinced and some began a campaign to “rescue the Senate” (see www.getup.org.au). The new political movement “GetUp! Action for Australia” blitzed Coalition parliamentarians with emails criticising their assumption of power — only to be unkindly labelled as a new form of electronic “spam”.
The first half of 2005 saw the leaders of both major parties notch up an anniversary or two. On 27 March, Liberal Party leader John Brogden celebrated three years as leader of the Opposition, just two days after the Premier, Bob Carr, notched up a remarkable ten years in the top job. Then, on 25 May, Carr became the state’s longest serving premier, beating Neville Wran’s record of ten years, one month and twenty days. The anniversaries motivated both reflection and forward planning, with the 2007 election firmly in both leaders’ sights. For Brogden, the time was right for a “big rebuild” (Sunday Telegraph, 27 March 2005) and an opportunity to capitalise on the Carr Government’s recent woes. For Premier Carr it was more of the same but with a few surprises along the way, including the resignation of Carr’s long-time Treasurer, Michael Egan, which prompted an interesting ministerial reshuffle.

Do the Shuffle

On 18 January, Michael Egan, the state’s longest serving treasurer, announced his resignation from politics. Although the Premier had known of his treasurer’s plans for over four months, during which time Egan had apparently changed his mind “three or four times” (Sydney Morning Herald, 19 January 2005), the news was a surprise to many. While the Acting Opposition Leader, Andrew Stoner, crowed that Egan was just “the first rat to desert the sinking Labor Party ship” (The Australian, 19 January 2005), Egan left confident that his reputation as the “surplus king” (Sydney Morning Herald, 19 January 2005) would be an important legacy. Certainly his conservative approach to budget-revenue forecasting and economic management, including his policy of retiring state debt rather than investing in infrastructure, has contributed to the nine budget surpluses over which he presided. However, as run-down infrastructure problems start to bite the government in the polls, it seems Egan’s legacy may not be judged until 2007.

Egan’s resignation paved the way for an important ministerial reshuffle. Contenders for the treasurer’s job included Assistant Treasurer John Della Bosca and controversial Transport Minister Michael Costa. However, it was the Deputy Premier, Andrew Refshauge, a senior figure in the Labor Left faction and outgoing Education Minister, who received the nod from Premier Carr (Sydney Morning Herald, 20 January 2005). In-fighting in the right-wing faction meant that the final line up in the new ministry was not announced for a few days. But when the controversial member for Fairfield, Joe Tripodi, found the factional numbers over former ALP State Secretary Eric Roozendaal, (Sydney Morning Herald, 21, 27 January, and 1,2,8 February 2005) the last ministerial position was filled and the way was clear for the premier to announce his new ministry.

It was not only the government that opted for a reshuffle. As a part of their optimistic plan to unseat Labor at the next election, in April the opposition announced a shuffle of their own. John Brogden’s new shadow ministry contained no new faces, but did see the former spokeswoman on infrastructure and planning, Peta Seaton, promoted to shadow treasurer (Sydney Morning Herald, 13 April 2005). Brogden had decided to relinquish his own role as shadow treasurer, which he had held since...
assuming the party leadership in 2002, so that the opposition could pay more detailed attention to the treasury portfolio in the lead-up to the next election. If the Liberal Party were to win government at the next election, Seaton could become the state’s first female treasurer (Sydney Morning Herald, 13 April 2005).

**New South Wales versus Costello: the GST Row Continues**

A change in personnel in the New South Wales treasury did not mean a change in tactics. Following the 2004 stoush that saw Michael Egan take on Peter Costello and John Howard over the allocation of GST revenue to the states by the Commonwealth Grants Commission, 2005 saw the battle continue under the command of Treasurer Refshauge. At issue was that fact that for every dollar New South Wales pays as GST revenue, the Grants Commission formula returns only 86.8 cents, compared with $1.04 to Queensland or $1.20 to South Australia (Sydney Morning Herald, 12 March 2005). According to the state treasury this amounts to a shortfall of $3 billion dollars for the state. The 2004 campaign by Egan and Carr had no effect on federal government policy and so the issue was revived in 2005 when the federal treasurer tried to entice New South Wales to reduce state taxes with a $330 million “sweetener” (Sydney Morning Herald, 23 March 2005).

Treasurer Refshauge rejected the federal offer out of hand, arguing that the proposed $330 million would not even compensate for the loss of state tax revenue, let alone compensate for the GST shortfall (Sydney Morning Herald, 23 March 2005). As several other states fell into line with the federal treasurer’s demands that they drop certain state stamp duties in line with the original GST agreement, New South Wales threatened to walk away from the funding agreement altogether (Sydney Morning Herald, 11, 12 April 2005). It appeared that the state could not lose, even if the federal treasurer did make good his threat to scrap the agreement (Sydney Morning Herald, 12, 14 April 2005). As all the other states except Western Australia bowed to the federal demands, New South Wales continued to play its game of brinkmanship (Sydney Morning Herald, 21, 22 April 2005).

The row dragged on into May, and the Federal Treasurer’s deadline for state agreement came and went, but the New South Wales position found increasing support. First a legal opinion from a leading barrister agreed that the 1999 GST agreement did not “oblige” New South Wales to abolish the state taxes as Costello had claimed (Sydney Morning Herald, 5 May 2005), then a New South Wales Chamber of Commerce survey that found businesses felt they were “being short-changed” by the federal government (Sydney Morning Herald, 6 May 2005). Even when the federal budget added another $223 million over three years to the New South Wales offer, Refshauge refused to budge, claiming, “There is still nothing in it for us” (Sydney Morning Herald, 12 May 2005). The issue remained unresolved by June, even as the Commonwealth Grants Commission itself admitted that the complex allocation formula at the heart of the dispute may, in fact, be “unreliable” (Sydney Morning Herald, 1 June 2005).

In the midst of the tax row Refshauge also had to deliver his first budget as treasurer. Given the ongoing problems with rail and health infrastructure, the 2005 budget promised big spending in these areas in order to win back voter confidence (Sydney Morning Herald, 23, 24 May 2005). The spending was certainly there: $34.7 billion for infrastructure including transport and electricity, and another $10.9 billion for health, but a controversial increase in stamp duty on insurance was introduced to help keep the budget in the black (Sydney Morning Herald, 25 May 2005). More controversial was the reversal of the unpopular land tax measure introduced in 2004
after a “mini caucus revolt” over the issue earlier in the year (Sydney Morning Herald, 25 February 2005). This followed complaints that the so-called “beach-shack battlers” (Sydney Morning Herald, 23 February 2005) were being taxed too heavily on their investment properties and holiday homes. For a Labor government to do away with this generally equitable tax measure suggests a degree of electoral anxiety not seen in recent budgets.

**Planning, Environment, Water, Transport: Carr’s Credibility in Question**

Issues to do with planning and development were rarely out of the news during the first six months of the year. In part this was due to the Sydney Morning Herald’s “Campaign for Sydney” that ran over several months with blunt headlines such as: “Sydney is a sprawling, gridlocked, polluted mess. It’s time to fix it” (Sydney Morning Herald, 30 May 2005). But the controversies were also of the government’s own making. A range of contentious decisions, including a reduction in the amount of Aboriginal housing that the powerful new Redfern-Waterloo Authority wanted to see in a redevelopment of the Block in Redfern (Sydney Morning Herald, 5 March 2005) and the apparent sidelining of an international planning expert calling the Carr Government’s credibility into question.

Among the more controversial decisions were new plans to redevelop the “last great tract” of Sydney harbour foreshore at Darling Harbour including at least a dozen skyscrapers and a vague idea for an “iconic building.” (Sydney Morning Herald, 3,4,7 February 2005). The Carr Government’s decisions to scrap lifetime leases and not provide low cost housing in new suburbs brought concerns about equity and access for low income workers (Sydney Morning Herald, 25, 28, 29 April 2005). And removing local council control over big developments, including the redevelopment of Parramatta Road (Sydney Morning Herald, 26 April, 14, 24 May 2005), raised serious questions about the government’s management credentials. As the Opposition claimed that Planning Minister Craig Knowles was “out of time and out of excuses” for finalising the Metropolitan Strategy (Sydney Morning Herald, 16 April 2005) it seemed another crisis was brewing for Carr.

This perception was not helped by reports that Ed Blakely, the international planning expert recruited by the Carr Government to advise on the Metropolitan Strategy, was reconsidering his future in the job due to his concerns about the government’s apparent lack of commitment to long-promised planning strategies (Sydney Morning Herald, 14 March, 30 April 2005). Blakely’s concerns were echoed by both business and environment groups, worried that the thirty-year strategy was progressing too slowly and was not offering sustainable development solutions (Sydney Morning Herald, 15 March 2005). There was little support for the government’s claim that its “strong and detailed plan” to spend $30 billion over four years on infrastructure was anything more that a “cobbling together of announcements” that had all been announced and funded previously (Sydney Morning Herald, 14, 15 March 2005). The government, it seemed, was clutching at straws and risking alienating both its planning expert and the voting public.

A string of environmentally questionable decisions including pushing ahead with the proposed water desalination plant continued to damage Carr’s credibility. The water crisis continued, and experts told Sydney to cut its water consumption by half or risk a disastrous shortage in the future (Sydney Morning Herald, 13 January 2005). Yet Carr seemed deaf to all advice. From the Auditor-General’s claim that water-saving targets were too optimistic (Sydney Morning Herald, 6 May 2005) to criticisms from environmental experts and federal MPs that Sydney was committing “environmental...
vandalism” (Sydney Morning Herald, 6 May, 27 June 2005) and that Sydney’s failure to properly consider water recycling measures was “ridiculous” (Sydney Morning Herald, 28 June 2005), it seemed the desalination plan had few supporters. Nevertheless, Carr and his Utilities Minister Frank Sartor seemed determined to press ahead with the proposal, calling for expressions of interest in building the plant despite not having identified an appropriate site (Sydney Morning Herald, 28 June 2005). The only water-related pressure Carr did feel obliged to respond to was that from developers as he agreed to their demands that new residential developments should not have to include energy and water saving measures (Sydney Morning Herald, 10 May 2005). As Carr also called for a new debate on the merits of nuclear versus coal-derived power (Sydney Morning Herald, 3, 4 June; The Australian, 4 June 2005) there were many wondering just what had become of the once-green premier.

Transport also remained problematic for the government. The “years of inaction” in relation to the CityRail network, resulting in a drop in rail passenger numbers by about 530,000 in the past two years (Sydney Morning Herald, 3 May 2005), meant that Carr’s announcement of an $8 billion, fifteen year plan involving three new lines and thirteen stations “fell flat”. Much to Carr’s dismay the announcement, the biggest expansion of the Sydney rail network since the 1930s, was greeted with little more than “derision” and “widespread suspicion” (Sydney Morning Herald, 14 June 2005). Moving the much-criticised former Transport Minister Michael Costa to the roads portfolio seemed to do little more than stir up new controversies in that area, with Costa’s resurrection of plans for the F6 motorway from the Sutherland Shire getting him off-side with his party colleagues (Sydney Morning Herald, 16, 17 March 2005). However the message that building more roads would only increase traffic congestion seemed to finally get through. Although former Roads Minister Carl Scully had scorned the State Sustainability Commissioner Peter Newman for suggesting that the planned M4 East motorway was not the solution to Sydney’s traffic woes, a resident backlash finally caused the plan to be suspended indefinitely (Sydney Morning Herald, 27 April 2005). The soon-to-open Cross City Tunnel will, however, only worsen congestion in Sydney’s Inner West, with concerns about an influx of freight trucks on the new roads due to the poor rail network (Sydney Morning Herald, 9 June 2005). The Carr Government has yet to arrest the decline in Sydney’s transport capabilities, and will probably pay dearly for this lack of foresight at the polls.

Macquarie Fields
There was a strange sense of déjà vu in late February as another Sydney suburb erupted into street violence, in scenes reminiscent of the “riot” in Redfern in 2004. This time the location was the Glenquarie public housing estate in the southwestern Sydney suburb of Macquarie Fields. Following the deaths of two teenagers in a stolen car that crashed while being pursued by police, over 200 residents of the Glenquarie estate took to the streets for several nights of violent clashes with police. Petrol bombs were thrown, a car was set alight, and young people threw rocks, bricks and golf balls at the advancing lines of around 100 police in full riot gear (Sydney Morning Herald, 28 February 2005). A manhunt for the driver of the car, alleged to be a young man named Jesse Kelly, who had fled the scene of the crash, continued for several days. A picture began to emerge of the long-term social disadvantage experienced by young people growing up on the housing estate (Sydney Morning Herald, 1, 2 March 2005), but the Premier’s response was unequivocal:
Listen, reality check. There are no excuses for this behaviour and I am not going to have it said that this behaviour is caused by social disadvantage. A lot of people grew up in circumstances of social disadvantage and they did not go out and attack police with bricks (Sydney Morning Herald, 1 March 2005).

Some residents of Macquarie Fields, including the grandparents of the fugitive Kelly, complained that the constant pressure by police on local young people, combined with the “paramilitary style” police response to the violence had only inflamed an already tense situation (Sydney Morning Herald, 3 March 2005). Meanwhile the search for Kelly was almost derailed by Opposition Leader John Brogden who revealed on commercial radio that the police had planted a listening device in Kelly’s house (Sydney Morning Herald, 3, 4 March 2005). Brogden made the most of the continuing unrest as the Carr Government struggled to bring the situation under control (Sydney Morning Herald, 5 March 2005). Carr meanwhile continued his attack on Macquarie Fields residents, this time blaming the parents of young people in “dysfunctional families” for the rise in youth violence (Sydney Morning Herald, 8 March 2005). Jesse Kelly’s eventual surrender to police almost two weeks after the crash that began the unrest finally brought the drama to an end (Sydney Morning Herald, 10 March 2005). However, an internal report concluded that police had made tactical errors that prolonged the violence (Sydney Morning Herald, 30 June 2005) making it likely that repercussions from this event will be felt in future law and order fuelled election campaigns.

Some Comfort, but More Corruption

The Carr Government could at least take some comfort in the fact that other key portfolio areas such as health and education caused relatively little controversy. However, Police Minister Carl Scully was less fortunate as five of the state’s most senior police officers, including the state’s Deputy Commissioner Dave Madden, were referred to the Police Integrity Commission in April (The Australian 23, April 2005; Sydney Morning Herald, 23 April 2005). The allegation against the officers concerned the inappropriate release of information about drug activity that had been obtained during telephone taps related to a high profile rape investigation (Sydney Morning Herald, 25, 26 April 2005). The leaking of such information would be a breach of the Telecommunications (Interception) Act. The Commissioner also found himself in trouble, both for naming the police involved and for offering them his support before the Commission had investigated the case (Sydney Morning Herald, 12 May, 11 June 2005). The Commission’s findings included a recommendation that criminal prosecution should be considered for at least two of the officers involved (Sydney Morning Herald, 16, 17 June 2005).

There were other dramas: allegations of corruption in city councils, complete with secret video footage of councillors allegedly pocketing bribes, were front page news (Sydney Morning Herald, 4, 8, 10, 12, 24 February, 1, 5 March, 24 June 2005); the Independent Commission Against Corruption castigated new Housing Minister Joe Tripodi and Assistant Planning Minister Diane Beamer over their roles in the 2004 Orange Grove affair (Sydney Morning Herald, 9 April 2005); Planning Minister and former Health Minister Craig Knowles was cleared by the Commission of bullying whistleblower nurses at Campbelltown and Camden hospitals (Sydney Morning Herald, 14 April 2005) but shortly afterwards was convicted of drink driving (Sydney Morning Herald, 22 April 2005); and only Premier Carr’s support saved controversial Roads Minister Michael Costa from being stripped of his portfolio responsibilities in a caucus brawl (Sydney Morning Herald, 2 April 2005). Meanwhile Carr himself faced
death threats from a disturbed former staff member of Opposition Leader John Brogden (Sydney Morning Herald, 6, 7 April 2005) and finally admitted that he was approached to take over the federal Labor leadership before the last election (The Australian, 21 May; Sydney Morning Herald, 21 May 2005).

Yet despite the drama, Premier Carr survived with his new record as the state’s longest serving Premier and with only faint whispers about possible problems at the 2007 polls. As the Liberal Opposition began to gear up for the next election (Sydney Morning Herald, 22 March 2005), and drew strength from the rise of its Christian right faction (The Australian, 21 May; Sydney Morning Herald, 21, 25 May 2005), Carr, along with the other state Labor premiers, turned his attention to a “titanic struggle” with the federal government over their proposed changes to industrial relations legislation (The Australian, 28 May; Sydney Morning Herald, 26 February, 28 May, 4, 30 June 2005). Watching this battle over the next six months will be fascinating indeed.

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**Victoria**

January to June 2005

**NICK ECONOMOU**

Monash University

With the gloss of its 2002 land-slide election victory being inexorably worn away by the frustrations of trying to balance a desire to undertake major policy initiatives on the one hand with the imperative of returning budget surpluses on the other, the Bracks Labor Government began 2005 in urgent need of some running repairs. The government had struggled with seemingly endless allegations of inertia particularly with respect to getting major projects up and running, and the decision to reverse an election promise not to impose a user-pays regime on any future freeway badly affecting the government’s reputation in the eyes of an increasingly cynical electorate.

In the beginning of the year the government was accused — again — of indulging in providing “jobs for the boys” when it was announced that unsuccessful federal Labor candidate for McMillan, Christian Zahra, was to be appointed to a state energy corporation board (Age, 21 January 2005). The government had also just weathered six months of community concern about policing following several murders involving Melbourne crime figures. As if all of this wasn’t enough, a spate of local planning disputes was also making its way on to the state’s policy debate and one major pressure group — the Save Our Suburbs group — had declared its intention to oppose the Bracks Government at the next election if Planning Minister Mary Delahunty was to continue in the portfolio.

With these matters left over from the previous year and apparently contributing to a reversal of the government’s standing in public opinion polls, Premier Steve Bracks took advantage of the summer holiday period to announce a cabinet reshuffle. As was expected, given the controversies arising from her portfolio, Delahunty was indeed relieved of Planning but managed to stay on as the Minister for Arts and Women’s Affairs. Planning was given to the Attorney-General, Rob Hulls, presumably with a brief to find ways in which the government’s Melbourne 2030 planning policy could be implemented with much less rancour. Transport Minister Peter Batchelor was relieved
of Major Works partly, according to commentators, because of the work-load associated with transport and partly because of the government’s difficulty in containing cost blow-outs in the much vaunted but yet to be completed fast rail project designed to link Victoria’s regional centres with the city. Major Works was transferred to Finance Minister John Lenders who, in turn, relinquished Consumer Affairs to Marsha Thompson (*Age*, 25 January 2005).

The most dramatic movement in the Bracks ministry, however, involved responsibility for Police, Emergency Services and Corrections. This portfolio had been held by Andre Haermeyer, an important member of the party’s dominant right faction and a key organiser of support for Bracks when he displaced John Brumby as party leader prior to the 1999 state election. Haermeyer had been minister throughout the period in which policing matters came to the fore with the execution of a number of underworld figures, some of whom were supposed to have been subject to police witness protection. Haermeyer was thought to have been quite secure in his position given his relationship with Bracks, so the announcement that Tim Holding was to take over this portfolio and that Haermeyer would be moved to Manufacturing, Export and Small Business took commentators by surprise. Tim Holding’s elevation to such an important portfolio and a position in cabinet was also noteworthy given the new minister’s relative youthfulness (he was thirty-two years at the time of his appointment) and his hitherto rather low public profile. By the same token, Holding has something of a reputation for being an influential figure in the party’s dominant right faction. Certainly the new minister would have his work cut out for him in this difficult portfolio particularly after revelations of allegations of police corruption in the management of the witness protection process were aired on national television around the time of his appointment. The Bracks Government, which has historically enjoyed a positive relationship with the Police Association, instituted the Office of Police Integrity (OPI) to look into these matters, much to the chagrin of the police union. By March the minister was under siege from critics declaring themselves unimpressed with the OPI (*Age*, 3 March 2005) and the matter of internal corruption in the Victoria police was to take a prominent position in the debate thereafter.

February in Victoria is usually a hot and dry month dogged by bushfires. In early 2005 however, the southern half of the state was hit by a bout of unseasonable wet and wintry weather. Melbourne and its surrounding suburbs were deluged with rain that cut the Princes Highway between the city and Geelong for some time and caused flash flooding in low-lying Melbourne suburbs. The *Spirit of Tasmania* ferry, making its overnight trip from Port Melbourne to Devonport in Tasmania, was damaged by hail and high waves in Bass Strait and forced to return to Victoria. The onset of some follow-up rains after this event made February 2005 one of the wettest on record, and towards the end of the month, the minister responsible for water conservation, John Thwaites, announced that a slight consequential recovery in Victoria’s reservoir levels had allowed the government to relax the state’s restrictions on water use.

**Factional Politics**

A major break-out of factional tensions in both of the state’s major political parties dominated Victorian politics in the first half of the year. In the case of the Labor party, factional manoeuvring as a result of the realignment of factional relationships following the collapse of the alliance between former Labour Unity (right) personnel associated with Greg Sword and sections of the Socialist Left continued with regard to preselections for a number of Labor-held federal seats. The increasing intensity of this factionalism spilled out into the public realm and related issues such as branch-stacking
re-emerged as a matter of public controversy. This was particularly so following the release of a report on the condition of the Victorian ALP authored by former premier John Cain that attacked both branch-stacking and the party’s entrenched factionalism as major contributors to a decline in the morale and performance of the party at the branch level (*Age*, 14 March 2005).

Cain’s contribution to this debate coincided with news that a concerted effort by members of the Labour Unity faction to deny preselection to a number of sitting federal Labor MPs was underway, spearheaded by the aspirations of former party deputy president and secretary of the National Union of Workers, Bill Shorten, to gain preselection for the federal seat of Maribyrnong. This seat is currently held by Bob Sercombe, a former Labour Unity member whose factional alignment was left in limbo as a result of the Greg Sword alliance with the Left. Other federal Labor MPs cited as Labour Unity targets in a bid to bring a new generation of Victorian Labor machine men into the federal parliament included Gavin O’Connor (Corio), Anne Corcoran (Isaacs), Harry Jenkins Jr. (Scullin) and Kelvin Thompson (Wills). The Left’s Maria Vamvakinou was also mentioned as a target, thus precipitating a clash between the two factions that played itself out in a televised slanging match between Senator Steve Conroy (right) and Senator Kim Carr (left) at a meeting of the party’s state conference (*Age*, 18 May 2005) and threats from party president Brian Daley that he would take these matters to the courts.

Press coverage of Labor’s internecine battles included speculation on the effect this bout of faction fighting might have on the electoral fortunes of Steve Bracks and the state Labor government (an issue made all the more tricky by the fact that Bracks is a strong supporter of many of the younger Labour Unity activists moving on the embattled federal Labor MPs). The opposition’s ability to make political gains from Labor’s factional problems was limited, however, by the occurrence of not dissimilar factional tensions within the Liberal party that involved opposition leader Robert Doyle. The Victorian Liberal Party’s factional clustering around those loyal to the party president Helen Kroger on the one side, and those vaguely identified as “Jeff Kennett-ites” on the other found a cause on which to exercise their combative capacity in the form of pre-selection for some eastern metropolitan state electorates. The most significant of these was the state seat of Scoresby — the only Liberal seat in the eastern suburbs — that was won at the last election by shadow police spokesperson Kim Wells. Wells is known to be a member of the Kennett-aligned faction and was under siege from a former Kroger-aligned Young Liberal president Michael Gidley.

Despite being in the same factional tendency, Doyle did not support Gidley’s attempt to unseat Kim Wells. Nor, indeed, did president Helen Kroger and subsequent press commentary speculated that Gidley was the head of a new sub-faction labelled as “the Young Turks” whom Kroger and others in the higher echelons of the party organisation (now being referred to as the “Exhibition Street” group in reference to the location of the party’s head office in the city) were becoming increasingly concerned about (*Age*, 24 April 2005). Doyle, meanwhile, was anxious to be seen to be defending a sitting MP no doubt as a means by which other members of the Kennett group in the party room could be assured of the security of their party endorsements. Robert Doyle was particularly anxious to head off any party room revolt against his leadership given his rather inauspicious start to the year. In February the Melbourne *Age* ran a story that Doyle had been greatly angered by internal criticism of his leadership and had vowed to subject dissenters, whom he labelled “rats”, to the full disciplinary power of the organisation (*Age*, 25 February 2005). The opposition leader’s problem with the
Scoresby Freeway had resurfaced as well. In response to the Liberal leader’s commitment to removing tolls on the proposed freeway, National party leader Peter Ryan refused to endorse Doyle’s promise to scrap tolls if the Liberals were elected to government (Age, 13 April 2005). The Scoresby matter continued to haunt Doyle, but at least he was able to achieve his preferred outcome on the Scoresby preselection following Gidley’s withdrawal from the contest in order to win pre-selection for the neighbouring Labor-held seat of Mount Waverley.

Amidst all the factional manoeuvring, two MPs indicated their intention to alter their parliamentary status. In March former Kennett minister and senior Liberal Bill Forwood announced his intention to retire from politics and not contest the next state election (Age, 5 March 2005). Over in the Legislative Council, meanwhile, the Labor member for Ballarat Province, Dianne Hadden, announced her intention to resign from the ALP and seek to contest Ballarat as an independent at the next election. Hadden cited dismay at and dissatisfaction with the Bracks Government’s treatment of rural Victoria as the reason for her resignation from the party. Of particular concern to the former member was the government’s decision to place a toxic waste dump in the northern extremity of her province without adequate community consultation (Age, 8 April 2005). Hadden had been agitating on this issue for some time and her resignation did not come as a surprise to party officials. This did not diminish the potential for Hadden’s resignation to embarrass the government, however, given the importance Bracks has placed on presenting his administration as a friend of regional and rural Victoria.

**The State Budget**

Treasurer John Brumby brought down the 2005-06 budget in early March. The Bracks Government’s financial blueprint for the next twelve months sought to balance its usual concern about being seen to be fiscally responsible with the political imperative of using the budget to improve the government’s standing in the opinion polls. Much to the chagrin of federal treasurer Peter Costello, Victoria’s financial position was greatly assisted by revenue windfalls from the Goods and Services Tax, and Brumby was able to bring down a budget increasing expenditure on a range of social policy areas while at the same time returning what the treasurer claimed was a responsible budget surplus. Thus the government committed itself to increases in health and education expenditure, the provision of more police, the building of more police stations, and a promise to complete the regional fast rail program. There were also promises to address some unpopular taxation measures. In the previous twelve months small business concern about rises in land tax turned to anger as their liabilities began to skyrocket. Consequently the treasurer announced substantial reviews of the land tax regime with a promise to reduce the tax rate for small business in particular.

The parliamentary delivery of a budget is viewed by government as an important event, particularly when it is geared towards garnering community support ahead of a general election. The 2005-6 budget will enjoy a special place in Victorian history, however, because of the way it was leaked in its entirety to the media twenty-four hours before it was supposed to have been delivered in the parliament. Treasurer Brumby’s thunder on future fiscal matters was stolen by David Broadbent, the chief state politics rounds-person for the Channel Nine network, who was able to reveal the contents of the budget in its entirety on the television news the night before its official delivery (Age, 3 May 2005). The government appeared to be suitably outraged by this breach of confidentiality and a Supreme Court injunction to prevent Channel Nine from broadcasting the budget’s details was unsuccessfully sought. The treasurer also
requested a police investigation into this leak and the printing firm that was responsible for producing the budget papers was investigated. Cynics might have suggested that the government actually enjoyed the benefit of having its budget dominate the news for two days as a result of this scandal. In any event, the police investigation failed to turn up any culprits and the budget was overtaken by other issues.

The Policy Debate
For all the accusations of inertia that are periodically levelled against it, the Bracks Government was quite active in a number of policy areas during the review period. Early in the year the government floated the idea of undertaking some reform of Victoria’s legal system with the proposal to have part-time “temporary” judges sitting on cases in a bid to ease the work-load of the state’s courts — much to the chagrin of Justice Marilyn Warren who labelled this a bad idea (Age, 23 February 2005). In April the government sought to diffuse growing community disquiet about gambling policy by announcing an increase in the so-called “pokie tax”. The increase in the rate of tax that electronic gaming machine operators have to pay for each of these machines based on gambler turn-over is to be allocated directly to fund health policy programs (Age, 14 April 2005). Gambling interests remained mute on this new impost whilst critics of gambling continued to pressure the government to find ways of reducing the use of “pokies”.

In a major conservation policy decision that precipitated a series of anti-government protests involving horses, cattlemen and various other regional and rural supporters, designed to disrupt traffic in and around parliament house, the Bracks Government announced that regulations would be passed that would ban the practice of allowing cattle to graze in crown land in the Alpine National Park (Age, 26 May 2005). Arguing that this decision simply brings Victoria into line with New South Wales regulations also prohibiting cattle grazing in the same park area, the Bracks Government found itself defending its decision from threats of federal governmental intervention on behalf of aggrieved cattle farmers. The Commonwealth’s position on this was that Victoria’s mountain cattlemen constituted an important part of the nation’s cultural heritage and that grazing needed to continue in defence of that heritage. This issue may yet go to the High Court although the feeling amongst Victorian policy makers was that the approach of the Federal Environment Minister, Ian McDonald, was based on shaky legal grounds. Two other conservation matters were also resolved during this time. Two controversial wind-farm proposals for the regional centres of Ballarat and Macedon were shelved. The controversial Bald Hills proposal for South Gippsland — also a matter subject to the intervention of Federal Minister McDonald — remains on the table, however (15 February 2005).

Child sex abuse figured prominently in the policy debate in the first half of the year due in no small part to the progress of a series of illegal teacher-student affairs as cases before the Supreme Court and one incident where a teacher, convicted of a sex offence way back in his youth, was forced to resign his position at Orbost Secondary College (Age, 15 March 2005). The Bracks Government was particularly proactive in this area with a proposal that all citizens who have anything to do with the management of children in either a professional or voluntary capacity would have to undergo police checks. This caused alarm amongst voluntary organisations and junior sports clubs worried about the impact of this proposal on voluntarism and concerned about who would actually have to pay for these checks. The government also proposed to enact legislation that would make it illegal for anyone to film sex acts involving people under
the age of eighteen until it was pointed out by the local cinematographers that this sort of law might have a deleterious impact on the state’s mainstream film-making industry that the government had otherwise been anxious to encourage (Age, 25 March 2005).

**Conclusion**

The first half of 2005 was a period dominated by internecine battles within the major political parties as “machine” men and women sought to position themselves ahead of a series of crucial pre-selections to be undertaken for future federal and state elections. The next state election is already uppermost in the minds of both Bracks and Doyle and their respective parties. For Bracks the task has been one of trying to divert voter attention from the Scoresby Freeway matter with promises of more expenditure on health, education and policing. For Doyle the period was one in which he needed to find ways of asserting his authority and control over his own party. Of the two leaders, Bracks would have been the more satisfied with his efforts. By the mid-point of 2005 the Bracks Government had regained the lead in the public opinion polls that had been surrendered to Doyle and the Liberals over the summer break.

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**Queensland**

January to June 2005

**PAUL D. WILLIAMS**

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**The Economy — Mixed News**

The year began satisfactorily for the government when a mid-year review forecast a revised budget surplus of $1.1 billion, or $450 million higher than expected (Courier-Mail, 13 January 2005). Equally pleasing was a Queensland unemployment rate of 4.3 per cent, which allowed Queensland, for the first time in twenty-five years, to boast Australia’s lowest level (Courier-Mail, 8 April 2005). But some regions grew faster than others, with the Darling Downs becoming Queensland’s “powerhouse” with an unemployment rate of just 2.3 per cent (Courier-Mail, 1 February 2005). The state’s inflation rate of 0.5 per cent for the June quarter — or 2.5 per cent annually — remained comparable with the national average (www.abs.gov.au/ausstats). Such robust growth encouraged the Beattie Government to resist Commonwealth proposals to further reform industrial relations. In 2003-04, exports valued at $26.2 billion showed a real decline of 3 per cent, while imports rose 10 per cent. Coal and beef were among the hardest hit, despite generating overall revenue of $8 billion (Courier-Mail, 2 February 2005). Other crises included the closure of a Bundaberg sugar processing plant with the loss of 100 jobs, and Queensland Rail’s loss of contract with its largest freight customer, Toll Holdings, a loss attributed to cost increases of up to 48 per cent (Courier-Mail, 11, 22 February 2005).

**SEQ Infrastructure and the Budget — Counterbalance to Crises**

The Beattie Government pre-empted its own budget with the announcement in late April of its long-awaited Southeast Queensland Regional Plan, a bold $55 billion capital works vision covering some 230 separate projects designed to accommodate the one million additional residents expected to settle in the state’s southeast over the next
twenty years. Specific allocations included $24.5 billion for road and public transport, $3.3 billion for social and community infrastructure, $3.4 billion for electricity transmission, and $2.3 billion for water supplies. A total of 320,000 new jobs is expected to be generated (Courier-Mail, 27 April 2005). Amazingly, key stakeholders, including business, emerged from meetings with Premier Beattie with genuine praise, a positive tone echoed by the media. Only the opposition condemned it, with Nationals’ leader Lawrence Springborg labelling Beattie a “sneaky little fraud” for assuming credit for federally funded projects (Courier-Mail, 28 April 2005). Thus, when the budget was delivered on 7 June, the Beattie Government’s eighth, and Treasurer Terry Mackenroth’s fifth and last — described as both a “battlers’ budget” and one that “lays the foundations for the next decade and beyond” — it built on the above with a record $8 billion capital works expenditure as its centrepiece (Courier-Mail, 6, 7 June 2005). Not unexpectedly, this — and the projected surplus for 2005-06 of $934 million — prompted other states to again complain that Queensland receives more than its fair share of GST revenues. Notwithstanding this, the Commonwealth forced Queensland, like other states, to implement tax reform as part of the 1999 GST agreement. To comply, Mackenroth abolished $1.6 billion in business stamp duties, and announced higher thresholds on land taxes: a win for 21,000 property owners but a $847 million loss to the Government. Borrowings to compensate will be significant: $827 million in 2005 and $6.3 billion over four years. Despite a downturn in private sector activity, other landmarks would be reached: 60,000 new jobs would be created in a budget expenditure that would exceed for the first time $25 billion (Courier-Mail, 8 June 2005).

Public Opinion and Party Fortunes

A Newspoll, covering the last quarter of 2004, found the Australian Labor Party (ALP), while still in strong command, slipping four primary vote percentage points from the February election to just 43 per cent. The Liberals, by contrast, had soared 10.5 points to 29 percent, far outstripping the Nationals’ 12 per cent, five points lower than their election result. The Greens fell to 3 per cent, One Nation to just one per cent, while Independents and others rose to 12 per cent. This translated into a closer two-party-preferred (2PP) contest, with 52 per cent opting for Labor and 48 per cent for the Liberals and Nationals. A subsequent Newspoll covering the January to March period, however, found the ALP had resurged to 46 per cent, with the Liberals declining slightly to 27 per cent, and the Nationals to 11 per cent and equal to Independents. The Greens rose to 5 per cent, with One Nation statistically insignificant. This equated to a widening of the 2PP gap: 55 per cent for Labor and 45 per cent for the Liberals and Nationals. Moreover, 60 per cent of voters approved of Beattie’s leadership (down two points from the previous poll), with 24 per cent dissatisfied (nil change) and 16 per cent uncommitted (up two points). Conversely, only 37 per cent approved of Springborg’s leadership, with 33 dissatisfied (up four points) and 30 per cent uncommitted (up one point). Even more starkly, 63 per cent (down one point) cited Beattie as the better premier, with just 14 per cent (down three points) naming Springborg, and with 23 per cent uncommitted (http://www.newspoll.com.au/cgi-bin/display_poll_data.pl).

The Liberals and Nationals — Scoring Own-Goals

The conservatives’ public opinion decline was partly explicable by the continuing public warfare between the Liberal and National parties. In January, for example, Nationals leader Springborg described as “unhelpful” Prime Minister John Howard’s
blanket rejection of a proposed merger of Queensland conservatives. Later that month, competition boiled over when almost the entire membership of the Nationals’ Burleigh branch moved to join the Liberal Party. Tensions failed to abate despite Howard, at a special Canberra meeting in March to mediate between the Queensland conservatives, telling his state Liberal colleagues to be more “flexible” in their negotiations with the Nationals. Only later did Springborg allege he had been “headhunted” to lead the Queensland Liberals, a claim undermined by deputy Liberal leader Bruce Flegg who dismissed Springborg as “a farmer from the Darling Downs” (Courier-Mail, 29 March 2005). Tensions also ran high within each party. In February, the Liberal Party moved to expel Russell Galt and three other dissenters for “damaging public comments” made during the 2004 federal election campaign. Galt had claimed Senator George Brandis had called Howard a “lying rodent” during the “children overboard” affair. Beattie then weighed in, declaring it a “very sad day for freedom of speech in the Liberal Party” (Courier-Mail, 2 February 2005). Even the Nationals were not immune, with the Queensland branch warning its federal counterparts it was not bound to support the full sale of Telstra.

The ALP — from Stumble to Crisis

The Labor Government’s performance was even more desultory in its lurch from one drama to the next, a trend that made its public opinion recovery all the more perplexing. In January, Beattie engulfed himself in Labor’s federal leadership tussle. As the first to complain of Labor leader Mark Latham’s lack of public comment over the Asian tsunami disaster, Beattie endorsed Kim Beazley as a replacement, adding that Kevin Rudd could be a later prime minister. At the same time, the Premier was forced to defend on compassionate grounds Labor MP Robert Poole (Gaven) for spending eight weeks in Thailand — his third visit to that country in a year. Beattie added that, twelve months into the government’s third term, he expected his ministry not to make errors, and that he also expected all his MPs to “work hard” (Courier-Mail, 23, 25 January 2005). In February, Police Minister Judy Spence attracted unwanted attention when it was revealed her office received, via fax, advanced warning from Police Commissioner Bob Atkinson when Freedom of Information (FOI) requests had been lodged. Rather than an attempt at political interference, it appeared the strategy was merely one of pre-emptive damage control. It was later revealed that former Police Minister Tony McGrady engaged in a similar strategy, as did Public Works Minister Rob Schwarten who faxed FOI applications to the Premier’s office. Yet FOI dust refused to settle. That same month, the Opposition claimed it was denied in 2004 a total of 7,563 pages of documents covering such sensitive issues as Energex, ministerial cars and government advertising. It did, however, receive full access to 7,214 pages and partial access to a further 1,752 (Courier-Mail, 25 February 2005). But the opposition’s toughest criticism followed in May when the government introduced legislation that retrospectively amended s.42 of the Act to exempt those documents relating to matters before judicial bodies. Documents relating to Palm Island would, therefore, now be off limits. In reply, the Nationals likened Beattie to an “African dictator” (Courier-Mail, 14-15 May 2005).

In March, leaked documents alleged DNA tests at the John Tonge Centre were flawed and may throw into doubt countless police prosecutions. That same month, Aboriginal Affairs Minister Liddy Clark admitted to the Crime and Misconduct Commission (CMC) that she had lied to the media the previous December when asked of her knowledge of the so-called “airfare affair” (see previous Chronicle). Given that Beattie had declared lying a “sackable offence”, Clark, on 1 March, had no option but
to resign. She later blamed her downfall on the Queensland “boys’ club” (Courier-Mail, 22 March 2005). John Mickel was then commissioned as Aboriginal Affairs Minister, with Linda Lavarch as Parliamentary Secretary. The appointment in early March of the new Information Commissioner, Cathy Taylor, brought further rebuke when it was revealed she previously enjoyed ties to the government that, as a key FOI decision-maker, posed a potential conflict of interest. Moreover, it was claimed Taylor had listed Premier’s Department head Leo Keliher as her principal referee, and that she was close friends with the chair of her selection panel. When it was further revealed Taylor had no legal training, and that she required a beginners’ course in FOI, outrage was scarcely contained (Courier-Mail, 2 March 2005). March also brought another public policy drama to light when it was revealed that around 9,000 Queensland Government buildings, including 1,100 schools, were affected by asbestos (Courier-Mail, 30 March 2005). Despite the recent deaths of two teachers following successful Workcover claims, Minister Anna Bligh described it as too expensive to replace all existing school roofs. Beattie later undermined Bligh in conceding that asbestos removal would be fast-tracked (Courier-Mail, 21 May 2005). Law and order issues also provided the government headaches, with the Courier-Mail running a series of “Mean Streets” articles identifying alcohol abuse — in the wake of several fatal assaults — as the chief source of danger in the Brisbane CBD. After Beattie and Spence took a late night inner city walk, the premier met with stakeholders and initiated a night club “lock-down” in which patrons would be refused entry to venues after 3:00 a.m.

The whiff of administrative and financial impropriety also emerged on a number of fronts. In March, Emergency Services Minister Chris Cummins was accused of appealing against a 2003 parking fine in correspondence using his electoral letterhead. In April, it was alleged Beattie had used the Premier’s Contingency Account as a “slush fund” from which he handed out over three years $13 million to an array of festival organisers (Courier-Mail, 1 April 2005). Despite citing as precedent previous Premier Rob Borbidge’s fund, the account was given strict new rules and re-badged the “Director-General’s Reserve”. Thirdly, it was alleged that Governor Quentin Bryce had misused Government House as a venue for private family parties. Beattie defended Her Excellency, but attempted to soothe critics by announcing that the government would in future assume some financial control over the Governor’s office. This did nothing to assuage some observers when it was pointed out that this breached the doctrine of the separation of powers. But a fourth, and far more damaging, development was the revelation in early April that Parliamentary Speaker Ray Hollis had been referred to the CMC, by Clerk-of-the-Parliament Neil Laurie, for alleged misuse of entertainment allowances. In due course, Hollis was also referred to the Director of Public Prosecutions: the first MP since the Fitzgerald Inquiry. Hollis stepped aside as Speaker, but refused to resign. Beattie initially declared that Hollis needn’t repay the expenses but, in the face of public outcry, the Premier back-flipped within twenty-four hours. The DPP and CMC later cleared Hollis, but not before the latter issued twenty-eight recommendations on future Speakers’ expenses: hospitality allowances would now be capped at $2,250 per annum (Courier-Mail, 1 June 2005). Beattie later retrospectively approved Hollis’s expenses, leading the opposition to say Hollis had been given a “get out of jail free card” (Courier-Mail, 8 June 2005). When Hollis, supposedly on sick leave, was found vacationing in New Zealand, even Beattie conceded that Hollis’s trip didn’t “look flash” (Courier-Mail, 6 May 2005). When acting Speaker, Jim Fouras, resumed the Chair, he also resumed his tough approach and admonished both Beattie
and Nationals deputy leader Jeff Seeney for unparliamentary language: “stuffed up” is no longer an acceptable colloquialism.

But the government’s woes were far from over. In June, it was revealed that up to 1,280 km of Queensland roads have been macadamised with “stone mastic” asphalt that had been linked to fatalities on the Sunshine Coast (Courier-Mail, 16 June 2005). More embarrassment followed when Main Roads Minister Paul Lucas was forced to dismiss his newly appointed investigative expert, Paul Hillier, when it was revealed Hillier had previously supplied advice to bureaucrats on how to defend against litigious accident victims. The Queensland judiciary also proved an embarrassment when the High Court of Australia overturned a 2003 conviction of former Chief Stipendiary Magistrate Di Fingleton. Queensland Chief Justice Paul de Jersey conceded he had felt all along that Fingleton would be immune under s.21A of the Magistrate’s Act of the charge of “retaliating” against a witness (Courier-Mail, 24 June 2005). It was against this backdrop in June that Labor’s annual State Conference passed virtually unnoticed, despite a key reform being passed that, in aligning the state and federal rules, increased trade union representation in party forums from 30 per cent to 50 per cent (Courier-Mail, 13 June 2005).

Palm Island — Beattie’s “Clap for Cash”

But more damaging crises would emerge elsewhere. In February the Palm Island Council alleged that Peter Beattie had bribed it by offering to clear its $800,000 debt if the Council showed public support for the premier during his opening of the local Police Youth Centre. When the Council claimed it had secretly tape-recorded Beattie, the premier admitted making the offer. When the matter was referred to the CMC, Beattie responded that he was “not going to be blackmailed” and that he was “happy to pitch [his] credibility against the Council of Palm Island any time […]”. The tape, mysteriously, was found to be blank. But Beattie was unrelenting, and he described in parliament solicitor Andrew Boe as a “leech” and as a “typical demonstration of white lawyers taking advantage of an indigenous community”. Civil libertarian Terry O’Gorman, shocked at Beattie’s outburst, likened him to Joh Bjelke-Petersen (Courier-Mail, 24, 25 February 2005). Importantly, Crown law advice suggested Beattie may have benefited politically but not personally from the offer, while early advice from Bob Gotterson QC suggested Beattie may have acted corruptly. The CMC in late March finally cleared the Premier of official corruption.

Beattie’s Greatest Crisis — “Dr Death” and the Morris Royal Commission

But even the above paled in comparison to the unfolding dramas of Queensland Health. In March, Opposition Health spokesperson Jeff Seeney raised in parliament a question — based on “whistleblower” nurse Toni Hoffman’s allegations and on patients’ complaints to police — regarding the allegedly poor medical skills of overseas-trained doctor Jayant Patel at Bundaberg Hospital. In mid April, it was revealed that Patel had had his medical licence suspended in the United States, that he had covered up suspicious patient deaths by “fast-tracking” post-mortem procedures, and that Bundaberg staff had “hidden” patients from Patel since his appointment in 2003, an appointment apparently made on the strength of his curriculum vitae alone (Courier-Mail, 13 April 2005). When Patel was linked to between sixty-seven and eighty-seven fatalities in Bundaberg, he was quickly dubbed “Dr Death” (Courier-Mail, 14-15 May 2005). Indeed, this revelation led to Seeney’s suspension from parliament for displaying a sign that read “Labor killing Queensland — 87”. On 26 April, Beattie announced twin inquiries. The first would be headed by Peter Forster with a brief to
investigate the entire Health Department. The second would be a Royal Commission, headed not by a judge but by Tony Morris, QC, with Sir Llew Edwards and Margaret Vider as deputies. But doubts were raised from the beginning: first, in terms of the Royal Commission’s relatively narrow terms of reference and, second, in terms of Edwards’ appointment given his links to a public relations firm and its work for Queensland Health. But Morris made it clear he would conduct a transparent inquiry complete with television cameras that, in turn, provided a seemingly endless source of damaging revelations for the evening news. From day one, Morris demonstrated an independent streak that saw tough questioning of anyone connected with Health Department bureaucracy. In turn, Morris heard evidence of a culture of “bullying, lying, cover-up and vilification” inside Queensland Health (Courier-Mail, 20 May 2005). Morris also took the unusual step on 10 June of issuing an interim report that sensationalistically recommended that Patel be charged with murder. Beattie then alerted Interpol and despatched two Queensland detectives to track down Patel in the United States. By the period’s close, observations were rife that Morris was eschewing impartiality in the conduct of his inquiry (see next Chronicle).

The Death of Sir Joh
Perhaps the most contentious chapter in Queenslanders’ living memory closed on 23 April when Sir Joh Bjelke-Petersen died at Kingaroy’s South Burnett Hospital after months’ of ill-health. In death, as in life, Sir Joh divided the community, with protestors threatening a picket-line at his funeral, and with most of Cabinet refusing to attend. Ultimately, only Beattie and Palaszczuk attended, as did Prime Minister Howard who appeared conciliatory towards Sir Joh despite the events of 1987. In the face of appeals by the Bjelke-Petersen family, and after Beattie called for “restraint”, the protestors called off their picket line and instead organised one last anti-Joh march through Brisbane’s CBD. An era had indeed come to an end.

Western Australia
January to June 2005

HARRY C J. PHILLIPS
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The first months of 2005 were dominated by the 26 February state election. It will be remembered for several surprises during the campaign phase, particularly the announcement of a proposal by Opposition Leader Colin Barnett to build a canal from the state’s far north to Perth and a referendum passed in the negative. Despite polling poorly for most of its administration the Labor Government, led by Premier Geoff Gallop and devoid of major scandal, was returned for a second four-year term with a similar majority and a very low turnover of members. A redistribution of electorates had denied Labor some of the formidable advantages of incumbency and had made the predictions on marginal seats more speculative as some one third of voters were in new
districts. The poor results for Labor in Western Australia in the October 2004 federal election helped give rise to predictions that Colin Barnett’s Coalition would win government when the record number of electors cast their vote for the thirty-seventh parliament.

**Election Outcome**

The final election outcome was surprisingly similar to the 2001 poll with Labor retaining the same number of Lower House members and an almost identical two–party preferred vote. By contrast, the primary votes exhibited a significantly different pattern than previously. In total over 81 per cent of the formal primary votes were cast for either the ALP or one of the Coalition parties compared with 72 per cent in 2001. The Greens vote was virtually the same, but votes for One Nation, the Australian Democrats and Independents were down.

**Vote Swings and Seats Won, Legislative Assembly 2005**

<table>
<thead>
<tr>
<th>Party</th>
<th>Candidates</th>
<th>Primary Votes</th>
<th>% Votes</th>
<th>Swing</th>
<th>Seats Won</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALP</td>
<td>57 (56)</td>
<td>448,956</td>
<td>41.88</td>
<td>+ 4.64</td>
<td>32 (32)</td>
</tr>
<tr>
<td>Liberal</td>
<td>55 (54)</td>
<td>382,014</td>
<td>35.64</td>
<td>+ 4.48</td>
<td>18 (16)</td>
</tr>
<tr>
<td>National P</td>
<td>14 (11)</td>
<td>39,545</td>
<td>3.69</td>
<td>+ 0.43</td>
<td>5 (5)</td>
</tr>
<tr>
<td>Greens</td>
<td>57 (51)</td>
<td>81,113</td>
<td>7.57</td>
<td>+ 0.30</td>
<td></td>
</tr>
<tr>
<td>Aust Dems</td>
<td>-- (38)</td>
<td>--</td>
<td>--</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independents</td>
<td>39 (71)</td>
<td>40,883</td>
<td>3.81</td>
<td>- 1.60</td>
<td>2 (4)</td>
</tr>
<tr>
<td>Christian Democrats</td>
<td>57 (13)</td>
<td>31,445</td>
<td>2.93</td>
<td>+ 1.97</td>
<td></td>
</tr>
<tr>
<td>Family First</td>
<td>34 (-)</td>
<td>21,701</td>
<td>2.02</td>
<td>+ 2.02</td>
<td></td>
</tr>
<tr>
<td>One Nation</td>
<td>45 (54)</td>
<td>17,579</td>
<td>1.64</td>
<td>- 7.94</td>
<td></td>
</tr>
<tr>
<td>New Country Party</td>
<td>5 (-)</td>
<td>1,225</td>
<td>0.11</td>
<td>+ 0.11</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>12 (18)</td>
<td>7,489</td>
<td>0.70</td>
<td>- 0.20</td>
<td></td>
</tr>
<tr>
<td>Formal</td>
<td>375 (366)</td>
<td>1,071,950</td>
<td>94.76</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Informal</td>
<td></td>
<td>59,312</td>
<td>5.24</td>
<td>+ 0.70</td>
<td></td>
</tr>
<tr>
<td>Total Votes</td>
<td>1,131,262</td>
<td>89.84</td>
<td>- 0.72</td>
<td></td>
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</tr>
</tbody>
</table>


Campaign factors played a significant role in the eventual outcome. Colin Barnett’s announcement of a visionary canal proposal to bring water from the far north to the metropolitan area had raised widespread doubts in the minds of voters about the feasibility of the scheme. The unease was exacerbated when Liberal Leader Barnett delivered the Coalition blueprint outlining a $2 billion spending program only two days before the election. The blueprint omitted a critical line of figures that led to damaging media criticism of both the Coalition parties and Barnett as prospective Premier.

In the Legislative Council, Labor and the Greens won eighteen of the thirty-four seats, the same total as the previous parliament, with Labor’s sixteen seats representing an increase of 3 at the expense of the Greens. On the same day two referendum questions on trading hours were placed before the voters and decisively defeated with 41.3 per cent in favour of the first question concerning extending weeknight trading and 38.6 per cent voting for eased restrictions on Sunday trading.

Following the change of members in the Legislative Council on 22 May, the government, as before, could pass its legislation with Greens support but still lacked a constitutional majority. However, the Labor victory in the Lower House provided a two month “window of opportunity” for the government to steer its one vote one value
legislation through the Council with the support of outgoing former Liberal turned Independent Alan Cadby.

**One Vote One Value Legislation**

The newly elected Labor Government moved quickly in March with the reintroduction of the One Vote One Value Bill 2005, which was renamed in the Legislative Council the Electoral Amendment and Repeal Bill 2005, as the original title was considered a misnomer. The Bill apportioned election districts in the Legislative Assembly on the basis of the average district enrolment with a ten percent variation (save a large district allowance for remote parts of the state). It also established a process of redistributions to occur two years after every election. In addition, the Constitution and Electoral Amendment Bill 2005 was introduced into the Legislative Council in May 2005. That Bill sought to increase the number of seats in the Legislative Assembly from fifty-seven to fifty-nine. The original Bill had expanded the Legislative Council from thirty-four to thirty-six, with three metropolitan and three country regions each returning six members.

The Labor Party celebrated the passage of the legislation with the Governor’s assent to the respective Bills on 20 May and 23 May, 2005, yet in at least two respects the one vote one value principle was not upheld. Firstly, the Legislative Council was to retain vote weighting with an unchanged equal ratio of metropolitan and country seats, despite over 70 per cent of electors residing in the metropolitan area. Secondly, in the Legislative Assembly a large district allowance was to apply to districts with an area of over 100,000 square kilometres by multiplying the area of the district by 1.5 per cent and adding this number to the actual number of enrolled voters. The calculated quotient must fall within the range of 20 per cent less or 10 per cent more than the average district enrolment. Nevertheless, the use of the average district enrolment (expected to be about 21,000 voters after the 2007 redistribution) was going to mean voter equity in the Lower House with some forty-two seats to be located in the metropolitan area (an increase of eight), and seventeen seats drawn from the country (a decrease of six).

**Government (and Governor) and Opposition**

While the increase in seats in both Houses was not to take effect until the next election, there was an immediate increase in the size of the ministry, expanded from fourteen to its constitutional limit of seventeen members. Gallop was to continue as Premier adding the contentious Water Resources portfolio to Public Sector Management and Federal Affairs whilst retaining his Deputy and Treasurer Eric Ripper who relinquished the troublesome Energy portfolio. Alan Carpenter assumed Energy and State Development and relinquished the large Education and Training portfolio to the relatively inexperienced MLC Ljiljanna Ravlich. Other new Ministers were Mark McGowan (Tourism, Racing and Gaming, Youth, Peel and the South West); Fran Logan (Housing and Works, Heritage, Minister assisting the Minister for Planning and Infrastructure); John Bowler (Local Government and Regional Development, Land Information, Goldfields-Esperance and Great Southern); John D’Orazio (Justice and Small Business); and MLC John Ford (Fisheries, Kimberley and Gascoyne). Several of the key portfolios were retained by their incumbents including Jim McGinty, who remained Attorney-General and held Health; John Kobelke (Consumer and Employment Protection); Michelle Roberts (Police and Emergency Services); Judy Edwards (Environment); Kim Chance (Agriculture and Forestry; the Midwest and Wheatbelt); Sheila McHale (Community Development, Culture and the Arts and
Women’s Interests); and Bob Kucera (Disability Services, Seniors, Sport and Recreation and Citizenship and Multi-Cultural Affairs).

Following the election, the coalition arrangements between the Liberal Party and the National Party were terminated with leadership changes taking place in the respective parties. Colin Barnett stood down from the Liberal Party helm, succeeded unopposed by Matt Birney, a young (thirty-five year old) member who had increased his majority in the former Labor stronghold of Kalgoorlie. Birney immediately achieved good poll ratings but was soon on the defensive after he accepted a government invitation to attend war commemorations in Europe during the contentious debate on the “one vote, one value” legislation. He then became entangled in a debate about what alcohol consumption readings he had recorded after a meeting on 1 June with journalists and newly elected deputy opposition leader, Paul Omodei. Opinion was divided as to whether in the circumstances Birney should have driven his car and Police Minister Michelle Roberts came under fire from several Liberals because she had revealed one of the readings during a radio interview. The episode opened up a Pandora’s Box for Police Commissioner Karl O’Callaghan regarding what information should have been conveyed to the minister.

In late March the Opposition Leader announced a fourteen-member shadow cabinet and an additional number of spokespersons. Two shadow cabinet positions were left vacant, apparently to give MPs a chance “to prove themselves” with former leader Colin Barnett not wanting to be included in the allocation. Some of the key roles were given to new Deputy Paul Omodei (Agriculture and Water); former Deputy Dan Sullivan (Energy and South West); Kim Hames (Health); Barry House (Education and Training); Sue Walker (Attorney-General); John Day (Transport) and Katie Hodson-Thomas (Environment). Father of the Legislative Council, Norman Moore, was to be Leader of the Opposition in the Upper House, whilst handling Mines and Resources, North-West and Electoral Affairs.

Meanwhile, in the aftermath of the electoral reform legislation a National Party forum in Geraldton resulted in the resignation of leader Max Trenorden. Youthful Brendan Grylls (thirty-two), who had earlier mused about a form of amalgamation or alliance with the Liberal Party, was elected to the party’s helm, much to the surprise of Deputy Leader Terry Waldron who believed he had negotiated a future leadership transition. Grylls’ ideas had been opposed by Trenorden who told the press that the new leader was “naïve” and “did not have the smell for politics” (West Australian, 16 June 2005). Conscious that Trenorden may run as an Independent at the next election, Grylls called on his former boss to stay in the party, at the same time asserting that “Max is part of the Hendy Cowan era and things are very different, even in my electorate of Merredin”.

At the Vice-Regal level the Premier announced in early June that Dr Ken Michael (sixty-seven) was to replace John Sanderson as Governor, who was scheduled to retire on 31 October, 2005. Dr Michael, Chancellor of the University of Western Australia with a long career as an engineer before becoming the Commissioner of Main Roads in 1991, was to assume his appointment on Australia Day 2006.

Budget

The Treasurer, Eric Ripper, delivered the Gallop Government’s fifth budget late in May, against the backdrop of what he termed the state’s “V8 economy”, largely supported by a booming resources sector. The local Chamber of Commerce and Industry (CCI) reported in March that Western Australia was “the best performing state” and tipped it would remain so for some time to come. Education, Health and
Law and Order accounted for 62 per cent of the overall general expenses receiving 26, 25 and 11 per cent respectively. The budget was also strong on infrastructure spending, with investment in a power network upgrade, the new desalination plant and an expanded rail system. Critics, however, noted the omission of a plan to tackle salinity and to boost agriculture and fisheries, which accounted for around 20 per cent of the state’s exports. Earlier, Premier Gallop had criticised the federal government on its tenth budget for failing to invest in infrastructure, given the state’s growth in the mining and resources sector.

Prior to the delivery of the budget, the Gallop Government was attacked at both the state and federal level for failing to abolish a number of taxes earmarked for review under the 1999 intergovernmental agreement on the Goods and Services Tax (GST). The Federal Treasurer, Peter Costello, challenged both Western Australia and New South Wales to do away with stamp duty and other residual taxes, or risk facing cuts to GST revenue, while Matt Birney claimed the Premier was hanging on to the taxes as a “buffer to compensate for his economic incompetency [sic]”. The Public Accounts Committee, after taking advice from two of the Western Australia’s top legal identities, Malcolm McCusker QC and Professor Greg Craven, delivered its first bipartisan report of the new parliament, finding the state had not breached the 1999 agreement and was legally within its rights to retain the remaining taxes.

Education
The Legislative Assembly’s Education and Health Standing Committee was also in the news with its decision on 4 May 2005 to examine the merits and basis of the proposed adoption of an outcomes based education (OBE) curriculum in both the compulsory and post-compulsory levels in state schools. The Curriculum Council had planned to have Year 11 English students studying under the OBE framework in 2006, with other courses to be phased in over the coming years. Shadow Education Minister Barry House said Premier Gallop should declare a moratorium on the introduction of OBE for Year 11 and 12 until the parliamentary inquiry reported in June 2006. The State School Teachers Union threatened to delay the implementation of the scheme and an internet lobby group christened People Lobbying Against Teaching Outcomes was formed. In response the Education Minister appointed a five-member task force comprised of the key stake-holders and a public relations officer. In the meantime, the Federal Education Minister Brendan Nelson had been demanding his state counterparts comply with a ten-point national schooling agreement, including plain English report cards with letter grades from A to E, as well as the OBE levels. In June Minister Ravlich reluctantly signed the national school funding agreement, yielding more than $1 billion dollars over four years. The reforms, linked to Commonwealth schools funding, could be seen as an extension of his continuing push to tie funding to national standards testing.

On a visit to Western Australia on 30 June, 2005 Nelson was jostled at a function at Edith Cowan University by student groups condemning proposed legislation to abolish the compulsory amenities fees. Student organisations, backed by several University Vice-Chancellors, argued the changes would destroy campus vibrancy by stripping from guilds and clubs funds used to subsidise recreation, child care, entertainment and counselling. It was revealed in late June that Curtin and Murdoch Universities had begun talks for a two-way merger. When this became known, Edith Cowan Vice-Chancellor, Millicent Poole, made a public bid to create a globally competitive “super” university based on a proposed amalgamation of the three institutions. However, the
overture was given a cool reception, particularly by Lance Twomey, the Vice-Chancellor of Curtin University.

**Industrial issues**

An announcement in June that the federal government would introduce radical changes to industrial relations laws sparked intense national debate. The proposed changes included centralisation of arbitration and wage fixing, increasing the standard working week to forty hours and eliminating unfair dismissal laws for businesses with fewer than 100 employees. As expected, the unions resisted any such moves as did church and welfare groups. The Gallop Government endorsed paid time off for the state’s public servants to attend protest meetings, while a notable critic of the reforms was the Liberal Opposition Leader Matt Birney. Birney was apprehensive that centralisation of the industrial relations system would give future Labor Governments too much control, while diminishing states’ relevance, a stance that caused a degree of concern in both state and federal Liberal ranks and amongst business groups, in particular the Chamber of Mines and Energy Western Australia who expressed wholehearted support for the proposed reforms.

A further issue in the period under review was the market dominance of major food retail chains in Western Australia, and whether the health and safety standards applied to the production of food in a given country of origin are comparable with standards required in Australia. The sole state newspaper, *The West Australian*, maintained a steady campaign to highlight the issues, while the Legislative Assembly’s Economics and Industry Standing Committee commenced an inquiry into the Production and Marketing of Foodstuffs, due to be tabled in the Parliament in March 2006.

**Environment, Utilities, Resources and Planning**

Reform of a different kind was on the agenda in May, when Energy Minister Alan Carpenter introduced the Electricity Corporations Bill 2005 into the Legislative Assembly. It was the government’s second attempt in as many years to restructure the Western Power Corporation into four new government-owned corporations, these being: the Electricity Generation Corporation; Electricity Retail Corporation; Electricity Networks Corporation; and Regional Power Corporation. The bill passed through the Assembly, this time without the need for Liberal Matt Birney to cross the floor, and remained in the Council at the time of this review.

The nexus between the Environment and Resources portfolios was heightened as calls for a national debate on nuclear energy emerged in June. Business interests came out in support as Federal Resources Minister Ian McFarlane accused Premier Gallop of banning uranium mining for ideological reasons while the premier maintained that he would not approve uranium mining and would fight any move by Canberra to place a nuclear waste dump in Western Australia. The Swan River was once again in the spotlight as an algal bloom in April killed an estimated 5,000 fish and caused Environment Minister Judy Edwards to consider dredging as a means of removing nutrient rich sediment. This position was criticised by the Greens (WA) who argued for preventative measures, while in June, $12 million over three years from the National Heritage Trust was welcomed by Agriculture Minister Kim Chance. Also in June, Planning Minister Allannah MacTiernan made a controversial decision, some seventeen years in the making, to approve a $500 million Port Coogee development. The Coogee Coastal Action Coalition had fought the proposal, politically and through the courts, to halt the project on an area of reclaimed sea bed.
The shortage of sporting facilities in Perth became a hot topic when in May, Sport and Recreation Minister Bob Kucera announced a Stadium Task Force headed by John Langaulant (CCI Chief Executive and formerly the State’s Under-Treasurer), to examine Perth’s requirements for the next twenty years. A key reference for the taskforce, established amidst complaints that planning to provide first class sports venues have been beset by blunders, was to be an assessment of the merits of investing more public funds in Subiaco and the WACA Ground against the cost of building a 55,000 seat stadium from “scratch”. Meanwhile, the state was facing a potential problem in keeping Perth on the international tennis map with the Burswood Dome, the venue for the Hopman Cup, earmarked for demolition in 2007. At the same time, a row broke out in the Town of Cambridge over the land occupied by the ageing Perry Lakes arena.

Justice

Incoming Justice Minister John D’Orazio received a baptism of fire as a series of prison escapes, including double murderer Brian Edwards, and a serious assault on a prison staff member, marked his first months in the job. In April Premier Gallop, flanked by the new minister, announced a six-month inquiry into the state’s prison system, to be headed by New South Wales former Justice Dennis Mahoney. Justice Mahoney was appointed under the Public Sector Management Act and was given wide ranging Terms of Reference. At a public hearing for the inquiry in June, former Justice Minister Jim McGinty described the portfolio as the “worst job in government”.

Also in April, former Western Australian Labor politician, local councillor and ministerial Chief of Staff, Graham Burkett, was charged with bribery and failure to disclose an interest while serving as councillor at the Town of Cambridge. The charges followed public hearings by the Corruption and Crime Commission (CCC) in which details of Burkett’s alleged corrupt dealings were made public, including his relationship with alleged organised crime figure John Kizon. In its first twelve months the CCC was proving more effective than its predecessor the Anti-Corruption Commission.

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South Australia
January to June 2005

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Considerable, some might say, unprecedented, drama enveloped political news during the first six months of 2005. During March and early April the Speaker of the House of Assembly, Peter Lewis, publicly pondered over alleged “evidence” implicating a sitting MP with pedophilia and claimed a police cover-up had protected the MP. For six weeks one of the more bizarre periods in South Australian politics unfolded and eventually culminated in the Speaker’s resignation. During May the premier stepped up his “war” with the Office of the Director of Public Prosecutions (DPP) and its new head, Steve Pallaras. Angered over a “light sentence” accorded Adelaide lawyer, Eugene McGee, after an admitted hit-and-run accident in which the victim was killed, the premier initiated a Royal Commission into the police investigation and trial of
McGee. Appearing as a prosecution witness in another trial, that of his former adviser, Randall Ashbourne, Premier Rann’s testimony dispelled any suggestion that he directed Ashbourne to offer government board positions to disgruntled former Labor state deputy leader, Ralph Clark. On a happier note, the state celebrated Port Adelaide being chosen by the Commonwealth as the preferred location to build three air warfare destroyers for the Royal Australian Navy.

**The Speaker’s “Walk of Shame”**

Throughout March and early April the media reported Speaker of the House of Assembly, Peter Lewis’s various ponderous accusations regarding a current MP being a pedophile, police officers for failing to properly investigate the MP’s activities and, incredibly, that the murder of a homosexual man, who had come to his office some months earlier in response to Lewis’ self-appointed role as investigator of allegations concerning the abuse of children in state care, was possibly linked to these events (*The Australian, The Advertiser*, 3 March 2005, *Sydney Morning Herald*, 11 March 2005). Based on eight interviews conducted by his office volunteers with “witnesses”, Lewis painted a disturbing and shadowy picture of pedophilia carried out in parklands adjacent to Adelaide’s CBD. Among the “witnesses” interviewed was a middle-aged man whom Lewis referred to by the alias, “Wayne”. The centre of media’s attention, and as it transpired, Lewis’s entire case, was Wayne’s statement that he had seen a photograph of a currently serving MP engaged in a sexual act with a minor. Police interviewed Lewis, “raided” his offices and the homes of volunteers in the search for evidence which included a “computer hard drive” Lewis believed contained pictures of a serving MP engaged in unlawful sexual conduct (*The Advertiser*, 4-12 March 2005; *The Australian*, 4-12 March 2005). Lewis’s case quickly crumbled after the police found no evidence and it was revealed that “Wayne” was in fact Craig Ratcliff, himself a convicted pedophile. To make matters worse for Lewis, Ratcliff told the media that his allegation was probably a case of mistaken identity! After constant requests by the premier to hand police any new evidence, Lewis admitted: “There is no smoking gun, no knife, no photo […] All we are ever going to have are the statements of the people who say they were victims” (*Sunday Mail*, 3 April 2005). Also, the police commissioner reported that officers investigating rumours regarding the MP were subject to a police Anti-Corruption Branch investigation which found no evidence to support Lewis’s claim of a cover-up.

With the disintegration of Lewis’s case the government threatened him with a vote of no confidence and, to avoid such ignominy, he resigned as Speaker after giving a largely unrepentant and rambling speech to parliament (*The Advertiser*, 2, 5 April 2005; *The Australian*, 5 April 2005). *The Advertiser* summed up the sentiment of the parliament, and the state, with its headline “Walk of Shame — Speaker forced to quit”. Fearing Lewis may use the cover of parliamentary privilege to name the MP and two police officers whom he believed were complicit in a cover up, Rann took the unprecedented step of seeking to qualify politicians’ use of parliamentary privilege.

Rann’s proposed legislation aimed to temporarily curtail privilege with respect to MPs naming public officials accused of criminal sexual misconduct and contained a “sunset clause” which could reasonably be assumed to come into effect upon the retirement of Lewis from the Parliament. The virtues, or otherwise, of the Bill stirred considerable debate within both the media and parliament. Some defended privilege at all costs, while others noted the context within which it arose, and defended the government’s intentions (*The Australian*, 5, 6 April 2005). It transpired that the combination of Liberal and Democrat numbers in the Upper House opposing the Bill
ensured its swift withdrawal. Perhaps the government could take solace in the fact that by raising the matter so starkly, Lewis appreciated the gravity of abusing privilege and, to date, has not named those whom he holds in suspicion.

Lewis, his volunteers and “informant” Craig Ratcliff, currently await the outcome of the DPP consideration of police advice suggesting that their various activities may amount to charges concerning abuse of office, creating a false belief and criminal defamation (The Advertiser, 10 May 2005). Acting Premier, Kevin Foley, undoubtedly reflected the views of many South Australians when he said the investigation ended “one of the ugliest chapters in our state’s political history”. Foley urged Lewis to apologise to those he had “damaged so recklessly” and consider leaving public life (The Australian, 10 May 2005).

The Premier’s “War” with the Legal Profession Prompts a Royal Commission

Writing that “South Australia’s Mike Rann has gone to war against Adelaide’s legal fraternity after a lawyer escaped jail over a hit run death”, journalist Michelle Wiese Bockmann reported the intensifying conflict between the government and the DPP (Weekend Australian, 7-8 May 2005). “War” certainly seemed an appropriate description as the newly appointed head of the Department of Public Prosecutions, Steve Pallaras, managed to consistently upset the government with his strong defence of his department. An outsider, recruited from Western Australia, Pallaras admits he was largely naïve as to the degree to which relations had deteriorated. Addressing the South Australian Press Club, Pallaras complained bitterly about the DPP’s lack of resources and warned that ill-informed criticism of the DPP and the state’s courts was damaging public confidence in the judicial system, and if matters did not improve would cause “irreparable damage” to the DPP (Independent Weekly, 15-21 May 2005).

The government’s decision to call a Royal Commission to investigate the conduct of the police investigation and the subsequent prosecution of Adelaide lawyer, Eugene McGee, arguably derives, in part, from the premier’s general dislike of the state’s legal fraternity (Independent Weekly, 8-14 May 2005) but also clearly represents a response to public outcry over the supposed inadequacy of McGee’s sentence. McGee was fined $3,100 and had his driver’s licence suspended for twelve months after a jury acquitted him of the more serious charge of causing death by dangerous driving (he was found guilty of “driving without due care”). He had failed to stop and render assistance after his car struck and killed a cyclist on a country road near the township of Kapunda. When the news of McGee’s sentence became public his lawyer, Grant Algie, tried to fend off the premier’s protestations with the comment that, “those who enjoy high political office” should stop “undermining our system of criminal justice”. Rann replied: “I do not care less what Mr Algie says. My job is to speak out on issues of concern to the people of SA. I’m not interested in what some mullet-headed lawyer has to say” (The Advertiser, 30 April 2005).

It was against this background that Pallaras launched his counter attack on the government. He charged the Rann Government with failing to uphold the judicial system’s integrity and expressed his disappointment with the “baseless claims and ill-informed innuendo that masquerades as public discussion” surrounding the operation of his office and the courts. Pallaras was hardly welcoming of the Royal Commission and complained of not being consulted over the matter (Independent Weekly, 15-21 May 2005; also see The Advertiser, 7 May 2005). He wryly commented: “Given the environment in which the credibility of our institutions has been so assailed over the past few weeks, one might say, facetiously, that we now need a Royal Commission to clear up the hysteria and restore confidence.” In similar vein, the Independent Weekly’s
chief political writer, Alex Kennedy, argued that the Royal Commission was obviously necessary in light of the government’s having “meddled so deeply and in so many facets of the case” (8-14 May 2005).

Headed by retired New South Wales Supreme Court judge, Gregory James QC, the Kapunda Royal Commission promptly started its work but this did little to settle simmering tensions. In late May The Advertiser’s (31 May 2005) front page headline read: “LAW WAR Government, DPP relations hit crisis”. It was reported that during his regular weekly meeting with Attorney-General Michael Atkinson, Pallaras complained that the Treasurer, Kevin Foley, sought to “bully” him during a telephone conversation and threatened to cut the DDP’s budget. Foley admitted he was angry with Pallaras for complaining to the media, the day before the state budget, about the state of the DDP’s budget but rejected the accusation that he threatened to withdraw any funding. In his five-page ministerial statement to parliament, Foley protested against Pallaras’ audacity in seeking additional funding for the DPP on the day before the state budget and maintained that Pallaras’s “posturing over resources was unbecoming”. Personal abuse of public officials (and lawyers) is now a commonplace practice for Rann and his ministers; it came as no surprise when Foley also accused Pallaras of being a “whinger”. The Premier stood by his Treasurer’s comments, while opposition leader, Rob Kerin, accused him of causing an unprecedented crisis in relations (The Advertiser, 31 May, 1, 4 June 2005). Foley defended the budget’s allocation to the DPP of an additional $1.2 million for 2005-06 and argued that over the last four years the DDP had enjoyed a 44 per cent real increase in its budget compared to 13 per cent for the police. Little sympathy is now accorded the DPP’s case by the Treasurer and Premier who appear to take the view that the main problem with the DPP derives from bruised egos over the government’s actions in the Nemer case. Five days after the state budget, and in what appeared to be an attempt to soothe relations, the Premier announced a $500,000 boost to the DPP’s budget (The Advertiser, 3 June 2005).

Kapunda Road Royal Commission is viewed by some commentators as an attempt by the Government to expose some sort of collusion within the legal fraternity to protect one of their own. Alex Kennedy believes that Rann was “looking for a result that somehow ‘fingered’ lawyers looking out for one of their own, Eugene McGee”. She argues that while the Commission “can be seen as set up for the wrong reasons […] [it] is likely to have significant beneficial outcomes for the legal system generally and the DPP specifically” (Independent Weekly, 19-25 June 2005).

Randall Ashbourne’s Trial and the Premier’s Day in Court

Premier Rann appeared as a witness in the District Court during the trial of his former political advisor, Randall Ashbourne. Reported in a previous chronicle (AJPH, Vol 50, 2) this matter had the potential to embarrass the premier. Ashbourne stood accused of offering government board positions to disgruntled former state Labor deputy leader, Ralph Clark, in return for Clark ceasing with a defamation case against Attorney-General, Michael Atkinson. An internal investigation by the head of the Premier’s Department cleared Ashbourne, but recommended a “severe reprimand”. When the matter became public in July 2003 Rann sacked Ashbourne but for reasons that remain unclear the premier decided to keep from public view his department’s findings. The matter only became public after the opposition received a “leak” and pressured the government to invite the police to investigate. It transpired that Ashbourne was charged with “abuse of public office” but at trial, and after one of the shortest jury deliberations in the state’s history, he was acquitted. Ashbourne’s defence rested on the fact that he
never had the direct power to offer Clark anything. He explained to the court that by persuading Clark to drop defamation proceedings Clark would markedly improve his prospects for rehabilitation to party ranks and thereby, in all likelihood, be offered appointment to government boards (The Australian, 9, 10, 17, 18 June). Rann informed the courtroom that he considered Ashbourne to be an “honest man” and stressed that he had never asked Ashbourne to offer Clark any positions: “I was incredulous as well as outraged by the suggestion [...] [he] did not have my authority [...] to offer board positions.” He explained that he confronted Ashbourne in a “heated” meeting but conceded that he gave him “little opportunity” to explain his actions (The Advertiser, 15 June 2005).

The case turned out to be a “storm in a teacup”. Clark did not appear for either the defence or prosecution but Ashbourne’s testimony did offer unique insight into the role of political advisors. This prompted political commentator, Dean Jaensch, to suggest that the government’s promised parliamentary “inquiry” into how it initially investigated the matter should also analyse the role played by political advisors by asking: “To whom are they responsible? Whom do they serve? And who should pay their salaries?” (The Advertiser, 30 June 2005). He queried whether tax payers should fund advisors when their work was concerned demonstrably with protecting the minister from media scrutiny and involved with manipulating public and party opinion. Much to the government’s chagrin, the Ashbourne affair will not go away. Rann promised an inquiry into how the government had first investigated the allegations once Ashbourne’s trial was over. When he proposed a “closed judicial inquiry” opposition leader, Rob Kerin, claimed it “smacks of a cover up” and The Advertiser editorialised: “By proposing that the inquiry hear evidence behind closed doors, the Government left itself open to allegations that it is in some way frightened of public scrutiny or has something to hide” (The Advertiser, 24 June 2005). An upper house inquiry commenced its investigation of the matter in early July after the Premier refused an open judicial inquiry and is expected to interview Ralph Clark.

2005-06 Budget and the Warships Contract
Treasurer Kevin Foley’s fourth budget was delivered with evident confidence and, while the opposition saw it as driven by election-year considerations, this was not demonstrably the case. Projecting a modest $51 million surplus, the budget’s key feature was the Treasurer’s announcement of a $2.9 billion four-year program of infrastructure spending, funded from borrowing. Foley joins with fellow State Treasurers in accepting the Reserve Bank of Australia’s warning that the economy confronted growing serious “capacity constraints” due to inadequate attention to infrastructure particularly in the energy and transport sectors. In terms of other significant spending initiatives, mental health services received a $45 million increase over four years and, overall, the health budget received a 5.7 per cent real increase for the coming financial year. A handful of state taxes were abolished, due mainly to the Federal Treasurer’s constant refrain that the States must honour their commitment to abolish many of them in return for receiving revenue raised by the GST. The tax cuts did not compromise service delivery because Treasury enjoyed strong revenue flows due to the property boom and generally buoyant economic conditions over the last year. The opposition accused the government of delivering a budget of missed opportunities (The Advertiser, 27 May 2005). On this point, economist Penny Neal criticised the budget’s failure to address the problem of declining population: “A state where the population is almost stagnant requires larger productivity improvements to bring about an economic growth rate similar to one in a state where population is
growing […] Thursday’s budget was very quiet on any policies aimed at increasing population growth rate” (Independent Weekly, 29 May-4 June 2005).

Rarely a day passed during the first five months of 2005 without some comment on the state’s bid to win the tender to build three warships (which was taking on the dimensions of a sporting contest against Victoria). Reportage evolved into depicting the tender as a vital matter for state morale and as a measure of how the nation viewed South Australia. Thus, it came as little surprise when The Advertiser’s (1 June 2005) trumpeted: “V-DAY — Our greatest victory. SA secures national destroyer contract. 1200 new jobs, flow-on of 3,000 jobs.” A wholly Commonwealth-owned, and South Australian based corporation (ASC) was awarded the Commonwealth’s tender because it offered “better value for money” when compared with its Victorian rival (The Australian, 1 June 2005). The decision was also based on the state’s excellent industrial relations record and state government’s commitment to borrow $140 million to help upgrade ship building facilities at Port Adelaide. Undoubtedly this project, costing the Commonwealth an estimated $6 billion over the next decade (of which some 70 per cent will be taken up by sub-contractors, not necessarily located in South Australia), will stimulate the state’s economy and significantly boost the state’s reputation as a hub location for high technology defence industries. Depicted by the local media as a hero for defeating the rival Victorian bid, Rann’s electoral stocks are undoubtedly aided. However, the quite pathetic parochialism of The Advertiser’s “Brack-Off” campaign (a reference to Victorian Premier, Steve Bracks. For an example see The Advertiser, 15 February 2005) was unedifying and, arguably, points toward an enduring sense of insecurity within the South Australian community, a legacy of the State Bank collapse in the early 1990s and loss of the Grand Prix to Melbourne.

A “Presidential” Style of Government and Other Matters

Novel with respect to its potential wider ramifications was Premier Rann’s decision to invite the chairs of the Economic Development Board, Robert de Crespigny and Social Inclusion Board, Monsignor David Cappo onto the Cabinet’s senior Executive Committee. With obvious presidential overtones, this move presents an interesting challenge to Westminster traditions as these men move close to the heart of executive power. According to the Premier, both men will be better placed to monitor progress in implementing the State Strategic Plan and this reflects “my long held belief that government should tap into the best available talent. That is why Cabinet also includes Independent members Rory McEwen and National Party member Karlene Maywald” (Premier’s Media Release, 19 April 2005; The Advertiser, 20 April 2005). Putting aside the fact that McEwen and Maywald’s presence effectively neutralised Peter Lewis’s power over the government’s tenuous hold on office, these initiatives by Rann are important examples of his style of government and, arguably, sit in contrast to what otherwise appears to be a government driven largely by populist politics.

Commissioner Ted Mulligan handed the government an Interim Report into the sexual abuse, and possible murder, of children who were former “wards of the state”. The report painted disturbing and grim pictures of past abuse and also of current serious problems with the foster care system (The Advertiser, 24 May 2005). Mulligan observed that his inquiry has given many former wards of institutions and foster homes “new confidence and hope” that the perpetrators of such obscene abuse will be brought

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1 This opinion is defended at greater length by the author, see H. Manning, “Mike Rann: A fortunate ‘King of Spin’” in Yes Premier: Labor Leadership in Australia’s States and Territories, eds J. Wanna and P. Williams (Sydney, 2005), pp. 197-224.
to justice and, ultimately, the victims offered some financial compensation (Independent Weekly, 3-9 April 2005). Families and Communities Services Minister, Jay Weatherill, described Mulligan’s report as an “appalling indictment” and foreshadowed that he expects the government will face many substantial compensation claims when the final report is complete in the middle of next year.

Aboriginal leader, Lowitja O’Donoghue, accused the Rann Government of “window dressing” and broken promises over its commitments to improve conditions on the Anangu-Pitjantjatjara Lands (The Advertiser, 5 May 2005; The Australian, 9 June 2005; for background see chronicle, AJPH Vol 50, 4). O’Donoghue pointed out that the government had failed to appoint a coordinator for the AP Lands, upgrade the local radio station or review the State Land Rights Act. On the other hand, Anangu-Pitjantjatjara Lands Council Chairman, Bernard Singer, maintained: “There have been big changes in the past couple of months” (The Advertiser, 8 June 2005). Whatever the case, the government’s 2004 commitments to address drug abuse and social dysfunction in the AP Lands will face ongoing scrutiny from the opposition parties and Aboriginal community leaders.

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**Tasmania**

January to June 2005

**RICHARD HERR**

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The Labor government of Paul Lennon marked its first full year in office during the period under review. As much as the new government had tried to maintain the initiatives and the legacy of the very popular Jim Bacon Government, it struggled to enjoy the same public support. Indeed, its standing slipped in all the polls taken during these months. And yet, the Lennon Government was economically successful and continued to enjoy the confidence of the business community. The government’s public image suffered not so much from disappointment with its economic management as its perceived weaknesses on the social agenda. As much as it might wish it were not so, the lost political gloss had as much to do with self-inflicted wounds, such as the Ken Bacon affair, as with any resurgence by the opposition Liberal Party, although its stocks certainly rose during the period under review. The Greens were gifted with another forestry issue in the shape of a new proposal for a pulp mill reviving memories of the Wesley Vale pulp mill proposal that gave them the balance of power after the 1989 State election.

**The 2005 State Budget**

The state budget might have been expected to be the government’s high point for the first six months of 2005. Rightly or wrongly, there was an expectation that this would be the last budget before a state election. Given the feeling that the government needed to recover lost ground in the opinion polls, expectations were rife that it would have to be even more generous than the previous year’s budget which had been self-styled by the premier as “the heart of gold” budget. In 2004, Paul Lennon had just assumed the role of the Treasurer (and Premier) a few months earlier and he untied the exchequer purse strings to address a backlog of pent-up social demands. The tactic scarcely
bought the government a hiccup in the polls, however, and, over the months since that budget, the government found itself under constant challenge to spend its building financial surpluses on one social need or another. The opposition Liberal Party managed to keep the pressure on the government by focussing media attention on the Government’s so-called “war-chest”, implying that there was a reserve of funds available to pay for a range of public needs. The Liberals’ mantra of hollow logs and a year of exposés of public sector shortcomings, especially in the area of health, had weakened the government’s standing in the opinion polls in the months leading up to the 2005 budget.

For all these reasons, the 2005 state budget therefore was expected to be even more open-handed than that of 2004. Expectations proved not to be altogether misplaced. The budget, entitled “Our State. Our lifestyle”, put a strong emphasis on protecting the unique values that made Tasmania an attractive place for young people to make a future. Thus, the budget emphasised health, education, law enforcement and roads. The poor press on the public health system had registered with the government especially. Lennon provided a substantial increase in health expenditure with some $1.2 billion going to a range of infrastructure and program commitments. There were tax cuts for business with other financial incentives and training support totaling nearly a half-billion dollars. Debt retirement was another area of special interest and provision was made to eliminate general governmental net debt years earlier than planned (Mercury, 20 May 2005). Perhaps because expectations were so high, the media and the public reacted almost casually to the 2005 State budget. It delivered much that might have looked like an “election budget” and many claimed that it was but the premier denied it, insisting there would be no election in 2005. Media discussion of the budget almost immediately gave way to reporting of the death of Superlux singer, Adam Rust, on a notorious stretch of highway while on his honeymoon in southern Tasmania (Mercury, 23 May 2005).

Ministerial SPOT Check

The cost of running the state’s three ferries, especially the third ferry, Spirit of Tasmania III (SPOT III), began running early as an issue for the government and the then minister, Ken Bacon. Firstly, it was revealed that fares on the ferries would be reduced to compete more effectively with the discount airlines and that the government had made a $4.7 million contribution in 2004 to interest payments to reduce the unexpected operating losses (Mercury, 18 January 2005). A leak to the media then suggested that Treasury had doubted that SPOT III could run viably on commercial terms but this assessment had been disputed by TT-Line chief executive, Peter Simmons (Mercury, 21 January 2005). SPOT III losses were highlighted at the Government Business Enterprises (GBE) Committee hearings in March. The TT-Line, the government ferry operator, projected a loss of $35 million, $25 million of which was attributed to SPOT III and $10 million to the other two ferries (Mercury, 2 March 2005). The losses were bad enough but the failure of the minister to be able to answer questions on the ferries and his admission that he had not seen the Treasury report identifying the basis for these projected losses were hugely damaging to Bacon’s credibility as a minister. It was subsequently claimed that Bacon’s performance had been sabotaged by no less than the premier himself who had refused to make the Treasury report available to Bacon even though the Tourism Minister was technically a shareholder in the TT-Line (Mercury, 4 March 2005).

The GBE hearings were disastrous for the government, which had been riding high on public support for the economic benefits of major initiatives such as the ferries and
their contribution to the state’s leading industry, tourism. Almost immediately afterwards, it emerged that cabinet was split on whether to keep SPOT III and the opposition Liberals made much of the government’s alleged indecision on what to do (Mercury, 8 March 2005). In the end, the government adopted a three-year, $115 million dollar “rescue package” for SPOT III over the Treasury’s objections that such measures were not economically viable. Nonetheless the premier also ordered an Auditor-General’s review of the TT-Line to assess what could be done to make the ferry operations more efficient (Mercury, 16 March 2005).

While the blunder in the GBE hearings and ensuing developments had embarrassed the government, it was a series of subsequent gaffes that ensured Ken Bacon’s political demise. An inept performance in question time in mid-March was followed by an attack on the relevance of question time itself by the struggling minister. Bacon’s claim that question time was useless because ministers give uninformed responses was repudiated publicly by the premier (Mercury, 18 March 2005). An unsuccessful no-confidence motion was still warm in the community’s mind when Bacon’s senior private secretary, Michael Roberts, resigned amid claims that ministerial intervention had protected him from a breathalyser transgression on Flinders Island (Advocate, 12 April 2005). His political fate was probably sealed when the tourism industry began to speculate openly about a want of confidence in its minister. The Examiner (12 April 2005) opined editorially on the day after he resigned that the demands of his ministry were “just too much” for Bacon.

When Ken Bacon resigned his ministry on the 11 April 2005, the ALP government had to re-rig the ship of state due to a retirement ostensibly for ill health for the third time in just over a year. Premier Lennon took the opportunity to reduce the ministry from nine to eight. Paula Wriedt added Bacon’s Tourism hat to her Education portfolio; and Attorney-General Judy Jackson took on his Parks and Heritage responsibilities. Jim Cox lost Employment to Economic Development Minister Laura Giddings (Advocate, 12 April 2005). Heather Butler won Bacon’s seat in Lyons on a recount when he resigned his seat in the House of Assembly a few weeks later.

The Bacon affair had not yet run its course, however, or drawn its last blood. Bacon reopened the government’s wounds when he told the Examiner newspaper (7 May 2005) that he had been told not to answer the GBE committee’s questions by the Premier’s Office. This ignited a barrage of criticism from the opposition parties who concentrated their fire on charges of illegality by the Premier’s Chief of Staff, Rod Scott, who was alleged to have issued the instruction to the then minister. The premier denied Bacon’s claims but seemed to prevaricate as to whether any of his staff were involved in advising Bacon as to what to say at the hearings (Examiner, 12 May 2005). The Liberals and the Greens alleged legal impropriety and tried to force some form of enquiry into the matter but the government’s numbers, buttressed by a largely uninterested public, forestalled these demands.

The Auditor-General’s report into the TT-Line put the final nail into the SPOT saga with a 100-page critique of the decision to purchase rather than lease SPOT III. The report expressed criticism of the absence of due diligence, weaknesses in record keeping, and the potential for conflict of interest between tourism and transport aims of the ferry (Mercury, 23 June 2005). Nick Evers, chairman of the TT-Line until his resignation in March after the GBE hearings, disputed Auditor-General Mike Blake’s criticisms, laying responsibility primarily with a government more interested in “photo opportunities”.
Forestry

Just before Christmas 2004, Australia’s major woodchip exporter, Gunns Ltd, launched a legal action against twenty individuals and groups including the Wilderness Society, Senator Bob Brown and State Greens’ Leader, Pegg Putt. The Gunns’ complaint alleges that environmentalists have conducted two broad offensives against Gunns: disruption of its logging operations, and vilification of it as a corporation. The civil suit is seeking the recovery of $6.3 million in damages for losses to Gunns, its employees and shareholders. About $1 million was for actual losses and more than $5 million in aggravated and exemplary damages (Mercury, 6 February 2005). The lodging of the complaint was denounced by the defendants and their supporters as an attack on free speech and the right to public protest (Mercury, 15 January 2005). The action was filed in the Victorian Supreme Court, a gesture the critics deemed intended to keep the Tasmanian defendants at a legal disadvantage. The matter did not progress during the period under review but it is certain to figure prominently in the lead-up to next state election.

Gunns Ltd announced its preferred site for a new pulp mill in February but recanted on a pledge given the previous year that the proposed East Tamar mill would be a “totally chlorine free” kraft pulp mill (Mercury, 25 February 2005). The announcement provoked two responses. The immediate complaint of the environmental movement was that the reneging on the chlorine free pledge was a downgrading from the commitment to world’s best practice for the mill. The government offered a $30,000 tax-payer funded promotional bus to allay public concerns about the Gunns’ proposal although it maintained that the bus was not intended to support Gunns but rather to make the public more aware of the facts of the issue (Mercury, 28 February 2005). However, on the day that submissions closed for comment on the proposal, Gunns re-fuelled public concerns by announcing it would seek a sixfold increase in the amount of land sought for the pulp mill site (Mercury, 21 June 2005). The early controversy over the handling of the pulp mill issue was a godsend for the Greens who were almost guaranteed their icon environmental issue for the election expected early in 2006.

Health Woes

In attempting to explain the government’s polling difficulties, it is hard to go past the media’s constant highlighting of deficiencies in the public health system. The new year began with headlines such as the Mercury’s (14 January 2005) “Bed horror”, which drew community attention to what it described as the “inhumane” shortage of beds in the Royal Hobart Hospital. Seriously ill patients were forced to lie for as much seventeen hours on stretchers because the over-stretched public hospital could not find beds for them. This was alleged to be the most visible of the hospital’s shortcomings that included delays in the $11 million re-development and the lowest number of consultants for any emergency department in Australia. This was followed a few weeks later with another front page headline “Tassie patient shame” following the Report on Government Services, 2005 by the Productivity Commission that identified a series of adverse national comparisons for Tasmania’s public hospitals (Mercury, 26 January 2005). David Llewellyn, the embattled Minister for Health, criticised the report claiming the criteria were unfair but the public damage could not be easily undone.

The importance of the health system’s public embarrassments showed clearly in the unprecedented funding this sector received in the May state budget but even that vast sum could not meet all demands or silence all criticism. Opposition shadow health minister, Sue Napier, claimed important areas such as mental health and adequate pay
to keep health care professionals in the State were still under-funded. Her concerns were repeated by the relevant unions and the Greens who added child protection, ambulance services, disability services and dental health to the log of claims for greater public funding (Examiner, 21 May 2005). These complaints continued to plague the government well after the budget. Shortages of specialists in the public hospitals were highlighted by front page stories of the human costs of extended waiting lists with shadow health minister Will Hodgman labelling the delays “unacceptable” (Mercury, 10 June 2005). June ended with yet another assessment that rated Tasmania’s public hospitals as below the national standard in many key areas. The State of Our Public Hospitals June 2005 report found Tasmania to be worst in the nation for people having elective surgery within the recommended time (Mercury, 30 June 2005).

Poll Swings
The Lennon Government found the opinion polls less supportive in the first half of 2005. The first Morgan poll published in January found that the government had slumped by 8 per cent while the Liberals’ and Greens’ results were up 5.5 per cent and 3.5 per cent respectively (Mercury, 19 January 2005). Taken during the last quarter of 2004, the result may have been influenced by the Liberals’ win federally but, if so, it did not show much return for Premier Lennon’s public rebuff to Mark Latham over forestry policy. This trend was confirmed the following month by an ERMS poll that also showed nonetheless that Lennon himself was still the preferred premier over Liberal rival Rene Hidding who lagged well behind (Advocate, 16 February 2005). The poll identified health as a major factor in the Liberals’ improving outcomes. An ERMS poll in May reproduced the February poll and the Mercury labelled the likely result a dead heat, further encouraging speculation across the media of a “hung parliament” (Mercury, 25 May 2005).

Issues and Personalities
The child abuse scandal continued into 2005 despite the government’s efforts to resolve the matter quickly. The offer of speedy compensation was criticised by some victims as too quick for adequate justice with some not even seeing their files or speaking with the state’s compensation assessor, Peter Cranswick, before having to sign waivers against further claims (Mercury, 24 January 2005). In May, this focus turned to the public schools when a female teacher was charged with a series of child-sex crimes including rape of boys aged between fourteen and sixteen (Mercury, 17 May 2005).

The prisons added to the government’s embarrassments when five inmates at Risdon Prison, just outside Hobart, seized a warden as a hostage to make some demands for the resignations of the director, Graeme Barber, and Attorney-General Judy Jackson. The ensuing siege lasted almost two days and ended peacefully after a delivery of pizzas but not without repercussions. It turned out the prisoners had ransacked the office and secured access to the staff files, raising fears for the prison officers’ families (Mercury, 10 May 2005). Worse was to come for the long embattled prison system when a leak revealed that there had been forewarning of just such a gesture by prisoners to force their reform agenda (Mercury, 12 May 2005).

Aboriginal Affairs offered some relief to the government and to the premier particularly. Paul Lennon took great pride personally in delivering a promise the late Jim Bacon had made to the Aboriginal community but had been unable to complete. This was the return of two Bass Strait islands to Aboriginal ownership — Cape Barren and Clarke Islands. Despite the continuing reservations in the Legislative Council that
had prevented Jim Bacon from succeeding, Lennon’s government managed to tip a slight balance in the Council in favour of the hand-back of the land. And so, on 10 May the titles to the crown land on the two islands were returned to the Aboriginal community in a moving ceremony the premier dedicated to the memory of his dead friend (Examiner, 11 May 2005).

Legislation to legalise brothels foundered in the Legislative Council in June. The measure introduced by Attorney-General Judy Jackson passed the House of Assembly easily with government support based primarily on the grounds that legalisation would protect both the sex workers and the community (Mercury, 9 June 2005).

A stalwart of Tasmanian politics, Senator Brian Harradine, left the Senate for the last time in June. His thirty-year career had been colourful and often very effective for his home state as he held the balance of power in the Senate on several important issues especially on the sale of Telstra. He had been outspoken on conservative family values but also defended the weak and vulnerable (Mercury, 22 June 2005).

Crown Princess Mary of Denmark returned to her home state in March and the Tasmanian papers were agog with every aspect of the royal visit with headlines like “Welcome Home Mary” and “Mary mania”. Every aspect of her visit (and, less frequently that of her husband, Crown Prince Frederik) was covered and every aspect of her former life in Tasmania reviewed to find something new to say during her week in the state.

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Northern Territory
January to June 2005

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Introduction
The Northern Territory election of 18 June dominated the period under review. While most observers anticipated that Clare Martin’s Labor government would be returned, few expected the electoral landslide that eventuated. The opposition Country Liberal Party (CLP), Australia’s most successful political party before its defeat in 2001, lost most of its Legislative Assembly seats and faced a bleak future.

The Election Prelude
It appeared on 8 January that the CLP might make race an election issue when the Leader of the Opposition, Terry Mills, asserted that Territory residents would lose access to their national parks if, as the government planned, title to them was transferred to traditional Indigenous owners. The Chief Minister, Clare Martin, disputed this, arguing that Mills’s claim ought to become an election issue. On 17 February the Legislative Assembly passed legislation that the government proclaimed secured the future existence of twenty-seven national parks. Mills’s successor as Leader of the Opposition, Denis Burke, however, accused Martin of “rushing through the legislation to pass her secret deal with Aboriginal people on the parks handover” (Northern Territory News, 18 February 2005). In a rare display of agreement on Indigenous affairs, on 5 April the Chief Minister and the Prime Minister, John Howard,
signed a historic agreement that set out how Indigenous services in the Northern Territory would be handled following the dismantling of the Aboriginal and Torres Strait Islander Commission (ATSIC). New arrangements could lead to private ownership of Aboriginal land.

Economic matters seemed likely to be important in an election. Some observers predicted difficulties for the government when it was revealed on 14 January that Woodside Petroleum had shelved the $7 billion Greater Sunrise gas project in the Timor Sea due to the unresolved border dispute between Australia and East Timor. Better news came on 26 January when Australian Bureau of Statistics figures showed that the Territory had the lowest inflation in the country. Following a newspaper campaign alleging that fuel prices were too high in the Territory, the government announced on 2 February that an independent inquiry would be held on the prices. The Chief Minister acknowledged that Territory residents were paying significantly more for fuel than in other parts of the country. Treasurer Syd Stirling announced the Northern Territory’s $2.7 million Budget on 3 May, variously described as “modest”, “neutral” and “conservative”. Budget winners included first home-buyers, who saved up to $3160 each under stamp duty changes. Opposition Leader Burke warned that the budget showed that Northern Territory debt would increase by over $128 million during the next four years. The Northern Territory News, however, editorialised on 4 May that the Treasurer was “cautious to a fault […] The Government has reaped a windfall from GST money and should have passed more of that on to Territory taxpayers”. On 9 May the government signed off on the deal for the $1.1 billion Darwin City Waterfront development, which the Chief Minister described as “a most magnificent project for Darwin” (Northern Territory News, 10 May 2005).

The Office of the Director of Public Prosecutions on 25 January laid twenty-one charges against a prominent Territory man. Due to a court suppression order the media in the Territory, but not outside it, were not permitted to publish the name of the accused unless he was committed to stand trial over the alleged offences. It became known on 8 February that, following a request from the Chief Minister, the Police Commissioner, Paul White, personally briefed her regarding the case on the night before a court hearing on it on 11 January. The new Leader of the Opposition, Denis Burke, asked in parliament on 8 February whether there was any government involvement in the issuing of the suppression order. The Chief Minister strongly denied any government interference in the court process here.

On 4 February Terry Mills dramatically and unexpectedly quit as Leader of the Opposition. In doing so, he said that he was not up to the job and lacked the experience to take the CLP into the next election. Former Chief Minister Denis Burke, in spite of his loss of the 2001 election and previous poor performance as Leader of the Opposition, almost immediately emerged as the favourite to succeed Mills. Chief Minister Martin claimed that Mills’s “dumping” meant, “the CLP is in really serious trouble” (Northern Territory News, 5 February 2005). Internal CLP sources subsequently revealed that pressure was placed on Mills to go due to what some in the party saw as his poor media performances. Burke was, as predicted, elected unopposed as leader on 7 February, proclaiming himself as a “new man” who had learned from his past errors (Northern Territory News, 8 February 2005). A Northern Territory News editorial on 8 February disagreed: Burke’s earnestness “should not be mistaken for profound intelligence […] He will, no doubt, do his best to rally his dispirited troops for one last death-or-glory cavalry charge. One suspects death is far more likely than glory”.
Education was another area that many felt would be significant in an election. On 6 February the government announced major changes to the education system that included spending of about $15 million on teaching and learning. There was, though, growing unrest among the Northern Territory’s government schoolteachers over a pay claim that resulted in industrial action from early March. By the end of March it seemed that this action had the potential to damage the government’s election prospects. The dispute was not ultimately resolved until 29 April, when the teachers’ unions agreed to accept a government offer.

Two parliamentarians from both sides did nothing to endear themselves to the wider community when they were ejected from the Legislative Assembly on 17 February after trading insults over sexual preferences and standover tactics. It began when a CLP member, John Elferink, accused Transport Minister Chris Burns of repeatedly calling him a “poofter”. Elferink crossed the floor and confronted Burns, suggesting they take the matter outside. Burns apologised to the Legislative Assembly after the incident. The Chief Minister on 18 February described the blow up as a low point for the parliament and reprimanded Burns. Elferink also admitted that he overreacted, saying he would apologise to the parliament but not to Burns.

The Minister for Local Government, John Ah Kit, was forced on 25 March to deny that he was corrupt. This followed the release of an Ombudsman’s report revealing that he had approved a vehicle being given to the Belyuen Community Government Council even although the Council did not ask for it. The vehicle was then “gifted” to a traditional owner, a man that Ah Kit knew personally. The report laid the blame with the Department of Community Development, Sport and Cultural Affairs and the Council, but on 29 March the Opposition announced that it would ask the police to investigate the gift. Two days later the Minister was in further strife amid accusations that he secured his nephew a high-paying government job on an Indigenous housing board. He denied that he any role in making public service appointments. That did not stop a prominent Indigenous Housing Authority of the Northern Territory board member, Kimberley Hunter, speaking out against the appointment. On 8 April Ah Kit announced that he would retire from politics at the election, arguing that the decision was based on his poor health.

Statehood returned to the political agenda when on 12 April the Northern Territory Parliamentary Committee on Legal and Constitutional Affairs announced the members of the new Northern Territory Statehood Steering Committee. Chaired by Legislative Assembly member Elliot McAdam, most other members seem to have been chosen as representatives of interest groups. No more than a couple had any particular expertise on constitutional matters and a deliberate decision was apparently made to exclude academics from the group.

CLP Member of the Legislative Assembly Peter Maley had for some time been an embarrassment for his party. Having announced in 2004 that he was not going to re-contest his seat of Goyder, he admitted on 28 April that he was working full-time as a lawyer. Opposition Leader Burke said that Maley’s paid work as a lawyer was unacceptable but conceded that there was nothing he could do about it. On 19 May, though, Burke removed Maley from the CLP’s parliamentary wing, saying that this was due to “regular breaches” of the party’s standards. The “last straw”, he claimed, was Maley leaving the Territory without informing the party that he was doing so (Northern Territory News, 20 May 2005). It also emerged on 20 May that Maley was the defendant in a domestic violence case. On the same day he made a savage attack on
his former leader, arguing that Burke was unreliable and that Territorians ought to vote Labor at the election.

The Election Campaign

The Chief Minister called on the Administrator of the Northern Territory, Ted Egan, on 31 May and received his approval for an election on 18 June. “The main issues of the election campaign”, she declared, “will be which party has a vision for the future of the Territory, which party has a track record of delivering on the commitments they have made” (Northern Territory News, 1 June 2005). A visibly excited Burke launched the CLP campaign with the release of a manifesto emphasising law and order, tax relief, development and maintaining the Northern Territory lifestyle. From the beginning almost all informed observers, including academic experts and the betting market, predicted a Labor win. The only real disagreement was on the size of the party’s majority.

The first real drama in the campaign occurred on 1 June when Labor moved to crack down on Aboriginal itinerants with the Chief Minister’s statement that her government would imprison habitual drunks who refused treatment. A re-elected Labor administration, she affirmed, would introduce an anti-social behaviour act. The announcement followed the CLP’s zero tolerance approach to anti-social behaviour, which included mandatory sentencing for property offences. As many critics were quick to point out, the government’s promise was unnecessary: what it should be doing was to strengthen and re-energise the already existing Community Harmony Scheme.

The next big announcement was on 6 June when Burke promised to connect the Territory to the national electricity grid and reduce power cost by more than 30 per cent. “We delivered the railway”, he asserted, “and we will deliver this project” (Northern Territory News, 7 June 2005). The government was quick to respond. Business Minister Paul Henderson maintained on the day of the announcement that the plan was “ludicrous and madcap”, pointing, as did subsequent Labor advertisements, to a huge increase in power prices in South Australia after that state joined the national grid in 2001 (Northern Territory News, 7 June 2005).

On 12 June the two leaders, Burke and Martin, met each other for the first televised election debate in Northern Territory history. While the Chief Minister clearly won the debate, the margin was not as great as many anticipated. Both showed signs of nerves and some viewers felt that the half hour format allowed little opportunity for statements to be properly developed.

A Newspoll in The Weekend Australian of 11-12 June found that Labor led the CLP by 14 percentage points, with 57 per cent support on a two-party-preferred basis. The Newspoll surveyed 1,200 voters in greater Darwin. Fifty-eight per cent of those polled were satisfied with the way the Chief Minister was doing her job, while only 36 per cent were satisfied with Burke.

Further difficulties for the CLP emerged on 17 June, the day before the poll. Burke was forced to admit that his spending pledges exceeded the available funds by $110 million and would plunge the budget further into deficit for at least the next four years. For the first time, the Territory’s only daily newspaper, the Northern Territory News, supported the election of a Labor government. Its editorial of 17 June concluded “we have a Government that hasn’t done much wrong — or much of anything, according to many — and an Opposition that hasn’t got its act together. The sensible course would be to give Labor the benefit of a second term”.

The campaign was, of course, also via advertisements in the printed and electronic media. It was, however, noticeable that Labor was spending more on its campaign than
the CLP. Independent and Green candidates campaigned in particular electorates but, for the most part, with little impact. At the local level, Labor was able to present several new high profile candidates, such as the former Alice Springs Mayor Fran Kilgariff and former ABC newsreader Barbara McCarthy. The CLP, on the other hand, had no new candidates with similar standing.

The Election Result

It was almost immediately evident as counting commenced that Labor would achieve sweeping and crushing victory. Once the results were finalised, Labor had 51.9 per cent of the primary vote and 59.3 per cent of the two party preferred vote, a swing of 11.3 per cent. The CLP had 35.7 per cent of the primary vote while thirteen independents scored 8.1 per cent. The Greens, standing in eleven seats, managed 4.1 per cent. Labor retained Arafura, Arnhem, Barkly, Casuarina, Fannie Bay, Johnston, Karama, Milner, Nhulunbuy, Nightcliff, Sanderson, Stuart and Wanguri and won Brennan, Daly, Drysdale, Goyder, Macdonnell and Port Darwin from the CLP. The CLP was left with just Araluen, Blain, Greatorex and Katherine. The sitting independent members retained Braitling and Nelson. Only two electorates, both in Alice Springs, recorded swings to the CLP, while the largest swing against the CLP was 24.6 per cent in Daly. Among the defeated CLP members was Denis Burke, who lost Brennan, his party’s safest seat before the election. In the new parliament a fifth of the members were Aboriginal. Almost 20 per cent of enrolled electors did not vote.

There were various responses during the week after the poll. CLP Senator Nigel Scullion spoke on election night of a “political tsunami” (The Australian, 20 June 2005). The Sunday Territorian on 19 June emblazoned “Massacre” across its front page. “I need to pinch myself”, the Chief Minister emotionally declared, “I don’t think I quite believe it” (Sunday Territorian, 19 June 2005). The defeated Opposition Leader in his tearful concession speech took the blame for what had happened. He was, he said, “very disappointed and sorry. For the CLP it is a bitterly disappointing result” (Sunday Territorian, 19 June 2005). Within days CLP members, reeling from the defeat, were already talking about the replacement of their party by a Liberal and, perhaps, a National Party in the Territory. But the outgoing national Liberal Party President and former CLP Chief Minister, Shane Stone, opposed this, claiming that the CLP would in time rebuild. The Northern Territory News editorialised on 20 June that, “There were many reasons why Territorians gave Clare Martin’s Labor such an emphatic victory […] At least some of them were negative. To put it bluntly, voters did not want Denis Burke […] But the extraordinary vote for Labor was mainly a positive vote — it was a vote in favour of Clare Martin”. The Australian’s editorial noted on the same day that Martin had “shown a safe pair of hands”. Once again, it also observed, “we saw the giant conundrum of contemporary Australian politics, which is that the conservative forces have a dearth of plausible leadership at state and territory level, while Labor cannot marshall its best and brightest to serve in Canberra”. For the National Indigenous Times on 23 June, though, Indigenous voters had little choice in the poll and it reported renewed talk of establishing an Aboriginal political party for the next Territory election. Sunday Territorian columnist Peter Murphy, normally a strong critic of the Martin government, on 26 June described the Chief Minister as a “political miracle worker who made the entire nation sit up and take notice”.

Academic commentators from Charles Darwin University, while acknowledging the magnitude of Labor’s victory and Clare Martin’s great personal triumph, pointed to some possible future problems. David Carment on 20 June noted “a real Territory political divide” in that while Darwin overwhelmingly supported Labor, most Alice
Springs voters preferred the CLP. Bill Wilson added that both major parties needed to address this rupture and that while Labor’s anti-social behaviour package may have helped it retain power, in the long run the package could alienate voters. Ken Parish predicted that there would now be increased pressure from within Labor Party ranks to increase the pace of reform.

The Election Aftermath
On 24 July an interim Cabinet was sworn in. All ministers returned in the election retained their portfolios, with John Ah Kit’s portfolios allocated to Paul Henderson. The Chief Minister said that with parliament resuming on 29 June, the swearing in would allow ministers to answer questions during the Budget estimates process.

The CLP President, Paul Bunker, announced on 25 June that Shane Stone would undertake a review of the party’s election performance. The outgoing national Liberal Party President would have unlimited access to all party records, polling and campaign strategies. Bunker said that the party’s failure to review the 2001 election loss “was a fundamental mistake that cannot be repeated” (Northern Territory News, 26 June 2005).

On 27 June the four remaining CLP parliamentarians decided, without a ballot, that Jodeen Carney, an articulate thirty-nine year old former lawyer representing the Alice Springs electorate of Araluen, and Fay Miller, a former business operator representing Katherine, would be the new Leader and Deputy Leader of the Opposition. This meant that women would head the Territory’s two major parties, a rare occurrence in Australia. Carney said that she would take a softer line than previous CLP administrations on mandatory sentencing and Indigenous issues.

The new Legislative Assembly met on 29 June with Labor’s Jane Aagaard elected as the new Speaker. She would, she promised, be more willing to throw badly behaving members out of the parliament than her predecessor, independent Loraine Braham. Indigenous dancers ushered in the first sitting, leading Aboriginal members to their seats.

Australian Capital Territory
January to June 2005

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The fallout from the 2003 bushfires continued to occupy centre stage in the Territory with claims, counterclaims and court challenges. A resolution was far from clear more than two year after the fires, millions expended in the coronial inquiry and months of evidence. Alongside this opera a series of ethical issues emerged which challenged members of the Assembly, in particular the Chief Minister and the newly elected Greens member. Money matters also gained attention as the Treasurer announced a deficit budget and squealed, along with the other Labor treasurers, about the Federal Treasurer’s demands for reforms to state and territory taxes. A series of chronically under-funded areas were identified that placed further pressure on an already fiscally challenged balance sheet.
The Bushfire Inquest

The devastating bushfires which swept through the Australian Capital Territory in January 2003 killing four people and destroying around 500 homes, continue to cause havoc in the political arena. Following on from several reports and investigations into the tragedy, a coronial inquiry began in June 2004. As mentioned in the previous chronicle, the inquiry was suspended whilst the Australian Capital Territory Supreme Court heard claims that the Coroner, Maria Doogan, should be removed. The basis of the claim was that Coroner Doogan denied procedural fairness to several individuals by “prejudging them and having an inappropriate association with witnesses or interested parties” which would lead her to give more weight to their evidence (*The Age*, 13 February 2005). By that stage, the inquest had cost more than $6 million and heard more than eighty days of evidence. The Supreme Court found in October 2004 that there were sufficient grounds to hear the application to remove Coroner Doogan on the basis that proceedings had been affected by perceptions of bias (*The Canberra Times*, 5 August 2005).

Many Canberrans were shocked when the Stanhope Government joined nine individuals in the legal action to remove Coroner Doogan, especially as there was considerable potential for conflicts of interest between the multiple roles of Chief Minister Stanhope who also holds the post of Attorney-General, and was a witness in the inquiry (*The Canberra Times*, 17 February 2005). For some this reflected a desire to stop Coroner Doogan getting to the bottom of what happened during the disastrous fires and the potential blame that may be placed with the government. A local man who lost his home in the fires stated that the inquest was “descending into farce [and that] there needed to be justice for all” (*The Age*, 13 February 2005). Chief Minister Stanhope himself was accused of trying to “noble” the inquiry by undermining any potential findings of the Coroner (*The Canberra Times*, 17 August 2005).

To complicate things further, Justices Higgins and Crispin mused on whether Coroner Doogan had overstepped her bounds of authority during the inquiry. These comments were based on the view that perhaps the Coroner had gone from investigating the cause and origin of a fire, to investigating a disaster (*The Age*, 13 February 2005). In essence they questioned whether the Coroner was authorised to consider a disaster and this had the potential to invalidate all evidence that had been presented (*The Canberra Times*, 15 February 2005). Despite being involved in legal proceedings to remove the Coroner, the Chief Minister defended the scope of the inquest, arguing that Territory legislation allowed the Coroner to undertake broad ranging investigations because a specific disaster clause had been introduced in 1997 (*The Canberra Times*, 17 February 2005). The combination of this issue with the bias claims infuriated many Canberrans and this was reflected in the public protests in support of Doogan.

Again, calls were made for Chief Minister Stanhope to stand aside as Attorney-General (see below) until the coronial inquiry and related legal action was complete (*The Canberra Times*, 17 February 2005). A motion was put by the Shadow Attorney-General Bill Stefaniak MLA but it was defeated by the majority Labor government and Stanhope enjoyed support from newly elected Greens MLA Foskey. Foskey claimed it was “entirely appropriate for the Attorney-General to act in the public interest to ensure the processes of the Coroner are without reproach” (*The Canberra Times*, 17 February 2005). Stefaniak argued it was unprecedented for an Attorney-General to participate in legal proceedings against a Coroner, and that given he had presented evidence at the inquest, there were clear conflicts. Stanhope rejected claims that there was any conflict
between his position as Attorney-General and his role as a witness in the inquest as there was no suggestion “he would be subject to an adverse finding by Mrs Doogan” (The Canberra Times, 17 February 2005). The drama continues.

**A Series of Unfortunate Events**

An interesting set of ethical issues occupied the Assembly and the local press during the first part of 2005. In April 2005 Chief Minister Stanhope’s environment adviser, Aidan Bruford, made national headlines when he was caught spray painting anti-Howard graffiti at a local shopping centre. The graffiti, which depicted Prime Minister Howard holding a gun and shaking his fist at a peace dove, had been sighted across several buildings in Canberra. This issue preoccupied the media, local residents and the Assembly when Stanhope refused his adviser’s offer to resign. Bruford was found to have a cache of anti-Howard, anti-war graffiti stencils which had been seen across Canberra (The Canberra Times, 6 May 2005). According to The Canberra Times there were “cries for Mr Bruford’s head from across the country” (15 April 2005). Stanhope, despite being under considerable pressure refused to sack Bruford on the basis that many people in influential positions, judges and politicians included, “engage in behaviour that is wrong and criminal” and retain their positions (The Age, 15 April 2005). Whilst he conceded that his staffer had displayed a “serious lapse of judgement” (The Canberra Times, 15 April), Stanhope argued that his adviser had been subjected to “humiliation and embarrassment” and that he was “paying the price” (The Age, 15 April 2005). Making matters worse in the “court” of public opinion, Urban Services staff promptly attended to the graffiti despite previously refusing to remove graffiti from private property (The Canberra Times, 15 April 2005). Of course, claims of political interference were denied. A local shop owner (who incidentally had been a Liberal candidate for the Assembly) complained loudly that he had to pay more than $2,000 to have graffiti removed, but that Stanhope’s adviser was defacing property and still employed (The Canberra Times, 15 April 2005). The Federal Environment Minister, Ian Campbell, weighed into the debate arguing that graffiti was a scourge and that Stanhope was endorsing vandalism, claiming that the Chief Minister was “effectively saying there’s no consequence for spreading graffiti around Australia’s national capital” (The Age, 15 April 2005). Further, he argued that Stanhope “was taking an ideological position as opposed to a sensible position” and this reflected his attitude on many issues (The Canberra Times, 15 April). Zed Seselja MLA, Shadow Youth Affairs Minister in the Territory, claimed Stanhope was “slurring Canberra’s young people” through his support of Bruford and his comments suggesting that young people cannot be expected to act appropriately all the time (Zed Seselja MLA Media Release 16 April 2005). Senator for the Australian Capital Territory, Gary Humphries levelled claims of hypocrisy at Stanhope who, in 2002, called for the resignation of a Liberal staffer who had been intercepting the email of a government minister (The Canberra Times, 15 April 2005). Opposition Leader Smyth also applied pressure, claiming Stanhope’s refusal to fire the staffer indicated that he condoned his behaviour (The Canberra Times, 15 April 2005). The most public display of Stanhope’s stress and strain over the affair came at a press conference in Darwin, when the Chief Minister lashed out at a reporter from Channel Nine calling him a “dickhead” and coming close to physical blows over the issue (The Canberra Times, 15 April 2005).

After several days of close scrutiny, Stanhope’s adviser tendered his resignation. Stanhope remained committed to the end, announcing with regret that his adviser had decided, after intense pressure, to resign his post (John Stanhope MLA Media Release 18 April, 2005). In the text of his resignation letter, Bruford pointed to Stanhope’s
willingness to take decisions that he felt were “right” rather than politically valuable and his propensity to be a “moody bugger” (John Stanhope MLA Media Release 18 April, 2005). Following the political fallout, Stanhope’s adviser was charged by police and, after pleading guilty to several charges, was fined $1,500 and put on a good behaviour bond (ABC Online, 6 May 2005). Stanhope, still supporting his previous adviser, argued that he had paid a high price for his mistake: “Aidan lost his job, he’s now unemployed and he’s suffered a very, very significant penalty” (ABC Online, 6 May 2005). Stanhope also lashed out at the Opposition Leader, Brendan Smyth, calling on him to discipline Bill Stefaniak MLA who had apparently defaced public property in a political protest in the mid-1990s (John Stanhope Media Release, 5 May 2005). What the incident tells us of Stanhope’s character is open to interpretation — clearly he is fiercely loyal to his staff but at what cost and to what end?

The issue of principles and ethics came to the fore again in June. Newly elected Greens MLA Deb Foskey faced the political blowtorch when it was revealed that she remained in public housing following her election to the Assembly. Whilst The Canberra Times labelled the “attacks” as “ill-conceived” and likely to backfire (11 June 2005), Foskey’s principles were very publicly questioned. The issue is a peculiarity of the Territory where public housing is not only for those in dire need. Rather, once in public housing tenants are under no requirement to leave when their circumstances improve. Essentially, once in housing they have lifetime tenure but they are required to pay “market rent” when income improves. Foskey’s supporters, which included the Stanhope Government, argued that the Territory’s approach to public housing had differed to that in other states and territories. An editorial in The Canberra Times (11 June 2005) stated that “government housing served many purposes in the community” and Foskey argued this generated a “mix” of public and private housing in many suburbs “allowing rich and poor kids to grow up next to each other and go to the same schools […] something that is good for democracy and community development” (Australian Capital Territory Parliamentary Debates, 30 June 2005, p. 2595). Further, it was argued that tenants paying market rent returned valuable income to the public housing system which provided capital for extra housing. The Canberra Times editorial argued that many tenants would “feel uneasy at the suggestion implicit in the criticism of Foskey that, now she is comparatively well off, she should forfeit her tenure and make her house available for someone in dire need” (11 June 2005). Further, it was argued, as a Green she may have some principled objection to the accumulation of wealth which would prevent her from investing in property. Such notions were dismissed however, when it was revealed that Foskey was a property owner. Apparently, after the public housing furore erupted and the media requested access to her declaration of interests to the Assembly, the file was amended to include the value of her share in a Victorian property from which she received regular rental income. Whilst the government and bureaucrats offered support, critics voiced considerable disdain that a politician earning close to $100,000 was occupying public housing in a time of considerable shortage. The Opposition spokeswoman on housing, Jacqui Burke MLA called on Foskey to consider her position in the Assembly and for the government to review the policy on public housing where a “highly paid politician is allowed to stay in a government house forever while 4,000 people are on the waiting list” (The Canberra Times, 10 June 2005). Public opinion, echoed in Letters to the Editor, supported public housing for Foskey when she was seeking help and on a lower income, but questioned why such government resources should be provided to her now (The Canberra Times, 14 June 2005). Further, some writers questioned her ethics when
many languished on the waiting list. The Foskey furore reopened the debate on public housing in the Territory and raised a series of important questions about the sustainability and contemporary appropriateness of the current policy. It also sharply brought into focus the issue of principles and ethics in politics.

Money Matters

Budgetary issues attracted considerable attention, in particular federal government decisions which impacted on Territory finances. Treasurer Ted Quinlan claimed that the decision to have Territory financial needs calculated in the same way as those of the states meant that it would lose significant funds from 2005-06. This resulted from the Territory missing out on funding for corporate affairs regulations (Ted Quinlan MLA Media Release, 2 March 2005). Treasurer Quinlan argued this reflected a loss of $4.8 million in 2005-06, and a total loss of $18 million over four years (Ted Quinlan MLA Media Release, 2 March 2005). Quinlan stated that the outcome is totally inequitable, denying the ACT a source of funds available to all States and the NT [...] this represents a direct abrogation of the Federal Government’s responsibilities to the ACT, and flies in the face of the Commonwealth moving the ACT to ‘State-like’ funding, and yet not providing that funding (Ted Quinlan MLA Media Release, 3 March 2005).

Quinlan stated he would seek to have the funding reinstated in the 2005-06 federal budget following discussions at the Treasurer’s Conference to be held in March (Ted Quinlan MLA Media Release, 3 March 2005). When the Treasurer’s Conference arrived, Quinlan, along with the other Labor Treasurers, cried foul over Federal Treasurer Costello’s proposal for the states and territories to remove a range of taxes (Ted Quinlan MLA Media Release, 22 March 2005). Quinlan argued that the changes demanded by Costello would result in a $50 million reduction in revenue for the Territory government and require significant cuts to services. The Territory Treasurer stated “it is cynical of the Federal Government to demand that the states cut minor taxes when it has a projected surplus of $6.2 billion in 2004-05” (Ted Quinlan MLA Media Release, 22 March 2005). Quinlan joined the chorus of complaints from the Labor Treasurers against the Federal Treasurer’s claims that they were breaching the GST agreement claiming that Costello had “torn up the Productivity Agreement between the States and Commonwealth” (Ted Quinlan MLA Media Release, 22 March 2005).

Money matters continued to be a focus when the budget was released in May and a deficit of $91.5 million was predicted. The Treasurer argued there was often angst when a deficit budget was announced but this should be considered a normal part of budget cycles (Ted Quinlan MLA Media Release, 3 May 2005). Much of the deficit would be funded by prior surpluses and there was to be no reliance on borrowings or asset sales (Budget Paper No. 2, May 2005).

Three chronically under-resourced areas were identified following the release of damning reports — disability services, emergency services and child protection and it was acknowledged that exponential increases in health costs were placing Territory finances under pressure in an era where the federal government was reducing funding (Ted Quinlan MLA Media Release, 3 May 2005). Further, considerable investment was to be made in infrastructure. The Treasurer announced that property rates would rise at a rate above inflation to allow for emerging spending commitments, in an increasingly pressurised fiscal environment. The trade-off for Canberrans was a commitment to cut government administration costs in return for increased spending on services. This translated into a projected labour force reduction of 260 in the Territory
administration via voluntary redundancies. In conclusion, Treasurer Quinlan argued the budget was “a responsible one, balancing the needs of the community with the pressure brought on by a challenging year” (Ted Quinlan MLA Media Release, 3 May 2005). It was expected that, given the strong Territory growth rates, the budget would return to surplus, albeit a marginal one, in 2005-06 (Budget Paper No 2, May 2005).

The Treasurer also went to significant effort to link the budget to The Canberra Plan which was launched in 2004. The vision for Canberra, much derided by the media, was moving into implementation phase, and the budget papers set out a range of achievements against The Plan during 2004-05 and several areas of focus during the next budget phase (Budget Paper No. 2, May 2005). In part this reflects the adoption of a Triple Bottom Line system of measuring and reporting performance from 2005-06.