

---

Australian Financial Review Magazine

## **Power steering**

Story by Laura Tingle

3,534 words

29 April 2005

Australian Financial Review

First

40

English

© 2005 Copyright John Fairfax Holdings Limited. [www.afr.com](http://www.afr.com) Not available for re-distribution.

### POLITICS

The PM's masterful maintenance of the status quo has ensured that the other nine significant figures of the past decade were all those who played cameos in his drama.

On the cusp of the coalition finally winning government after 13 long years in the wilderness, Peter Costello appeared on the cover of the March 1996 issue of The AFR Magazine, portrayed as the 'next big thing' of Australian politics. Nine years on, Peter Costello is still waiting. That's not to underplay his achievement in making it through nine years in the Treasury portfolio. Or his role as the dominant figure in the theatre of federal parliamentary chamber politics. It's more to highlight one of the major themes of Australian politics over the past decade: its stability, the longevity of some of its central players and the extent to which they have discovered the power and use of incumbency.

That incumbency has determined the sorts of people who have become our most influential politicians in the last decade: not only those who have become powerful as a result of incumbency, but also those whose significance has grown from the political aberrations such incumbency produces, notably personality politics.

It's hard to get Australia's major political players out of office these days, whether you are the Opposition or the person who might want their job. No one exemplifies this better than John Howard, but NSW Premier Bob Carr is another case in point. Similarly, Alexander Downer and Peter Costello are now the longest-serving ministers in their respective portfolios. Look at five years of this magazine's power lists and see how few people have actually made it - just 12 have appeared on the list of the top five political power figures in the past five years. (John Howard, Peter Costello, John Anderson, Kim Beazley, Simon Crean, Mark Latham, George W. Bush, Bob Carr, John Faulkner, Bob Brown, Meg Lees and Natasha Stott Despoja.)

All of which has made for a dull decade for political drama, observers on both sides agree. But this isn't just some wistful remembrance of things past. It's an observation of both political style and electoral tastes.

"We're a very self-centred, cautious electorate," one Liberal observer says. "We like the status quo. That has produced a much more reactive political leadership. The larger-than-life figures - Jeff Kennett and Paul Keating particularly come to mind - get thrown out. The politicians of the 1970s and 1980s were trying to change us. They were prepared to take risks and were therefore far more interesting and dangerous.

"You'd have to say, in terms of longevity though, they were also much less successful than the current bunch. The parliamentary Libs these days look like a bunch of accountants - and that even extends to [National Party leader John] Anderson. What happened to hayseed charm? [South Australian Premier Mike] Rann, Carr, [Victorian Premier Steve] Bracks. They could all be Liberals." By comparison, a snapshot of 1995 sees Prime Minister Paul Keating at war with Kerry Packer, floating Qantas to the horror of the Labor Party, defending Carmen Lawrence against all attacks, touting a change to a republic.

What's changed what the country wants from its politicians has been economic stability and a growing affluence, along with the electorate's reform weariness. People have become less engaged. They feel less likely to lose their job, or that government will make a decision that will dramatically affect their incomes - except perhaps for the better through a tax cut. Understanding how to play to that mindset requires a particular political skill.

The shift in political speed the nation was about to take 10 years ago was there for all to see in John Howard's first 'headland' speech in June 1995. It wasn't in what he said, but in what the speech was trying to achieve. Howard's message was that the coalition was no longer radical, no longer committed to small government at all costs. Government had to play a "caring" role in providing strong social security, health and educational services, he argued.

'The days of Fightback were over', was the message - even if large slabs of John Hewson's agenda have subsequently been implemented. "I want a nation of caring achievers; a nation based on hope, reward and incentive for the individual, confident of its history and its place in the world, and determined to extend practical mateship to those in need," he said. These days, Howard's political style - which commands the landscape - is seen as a mastery of reaction: the lightning response that captures the mood of the electorate. That's not just a change in policies but in the prime ministerial role.

"From Port Arthur to September 11 to the tsunami, he's hit the right chord on policy, but only flowing from reading the politics on these," says one Liberal. "Even the GST was a reaction to the fact he was bogged down in Wik and the business community was getting frustrated that he didn't have a broader reform agenda beyond industrial relations. Public events have shaped him. Called mean and tricky in 2001, damaged over petrol pricing, he just wrote the cheque in the lead-up to that election campaign, to change his image."

Equally, this source insists the major shift of the past decade has flowed from the fact "the Prime Minister campaigns every day of his life. There is no such thing as a formal campaign period for John Howard. There is no such thing as a policy decision that starts from policy principles rather than politics. Howard, from the day he became a minister, has simply been a political person. The power of the prime ministership has just taken that politics to a new level. Look at his use of radio. Suddenly we are getting Christmas Day messages. He's become the governor-general!"

John Howard, Opposition leader, once complained that the Keating government had become a prisoner of special interests. 'John Howard Prime Minister' has become the embodiment of the 'frustrated mainstream': defining what it wants, meticulously and ruthlessly removing the power bases of critics, cutting off their money or their capacity to comment (by attaching silence conditions to funding), or cutting off their apparent influence (by making it clear he's not listening to them). Ironically perhaps, he's achieved what his mentor and subsequent *bête noire*, Malcolm Fraser, once professed he wanted to achieve: to get politics off the front page. Against the backdrop of Howard's dominance and the deliberate push - federal and state - to make politics dull, a number of trends have emerged.

The most colourful has been the string of personality politicians: those who have briefly transited the political stage with a power base built largely on the electorate's fascination with them as people, rather than what they stood for. Pauline Hanson spearheaded the trend in 1996. An independent by accident rather than design, she made being an outsider a positive. And in the post-Keating world, she captured the reaction against the prevailing 'political correctness'. And John Howard wasn't going to stop the trend to stop the person.

Then there was Cheryl Kernot, the woman who rose to prominence as leader of the Australian Democrats and crashed spectacularly as Labor's star recruit. In 1996, Kernot represented perhaps the last and most visible bastion of the pre-Howard era in a Howard world. The Senate was the symbol of resistance to all the Howard changes - from industrial relations, to the privatisation of Telstra, to the contentious Wik debate. As one Labor observer says: "By September 1997, she had clearly become the lightning rod for third-party politics and within two years had completely burnt out of the system. She was an example of how you can construct a platform from [interviews with] Andrew Denton and Kerri-Anne Kennerley - going around the mainstream."

The same source sees Hanson and Mark Latham as part of the same political phenomenon. "Latham's success was almost entirely driven on his appeal as a political personality rather than as a politician who was a leader," the source argues. Bob Brown's success is put in similar terms by another observer. "The Greens jalousy has been completely built around him," he says. "It is personality-based politics."

Despite all of which, it has been the decade of decline for the minor parties, perhaps partly because they have depended on the personality and popularity of their leaders even more than the major parties. The Democrats first tottered under the shock defection of Kernot, then went into steep decline in the aftermath of

the bitter recriminations over Meg Lees's negotiations over the goods and services tax. One Nation self-destructed when people who weren't Pauline Hanson tried to give philosophical shape to a personality party.

The Greens appeared likely to rise up to fill the void in the 2004 poll. But an effective scare campaign suggesting they would hold the balance of power in the Senate saw them relegated to a non-threatening position. They still call themselves the 'third force' in Australian politics, but it is not a menacing force at present.

The Liberal Party, confronted by an old and declining formal party membership, has worked hard over the past decade to broaden its community base. By contrast, Labor's perceived problems with the electorate, the sense that it has lost touch with its base, have stemmed from its predilection for filling its parliamentary ranks with professional operators from state secretariats and union offices. The push into the community by the Liberal Party has required more sophistication than might be immediately obvious. "In the backroom, the coalition has become more organised, more ruthless, more professional, more American," a Labor observer notes with grudging respect.

"That's why you have to put **Lynton Crosby** [currently advising the UK's embattled Conservatives] in the pantheon of the most influential figures in Australian politics over the past decade. He had a huge impact on the party's organisational and structural side. A decade ago, it would [have been] preposterous to suggest the Liberals could create a campaign operation equal to that of Labor. Now it's the opposite way around. Lynton saw the value in both international connections, particularly in the US and Britain, and in community connections - getting down to the level of local community organisations, using them as vehicles for building party support."

By contrast, while Australian Labor strategies paved the way for the success of Labour in Britain, the party has subsequently fallen away, apparently unable to turn the tables and use the lessons and power of British Labour in the local contest. A Liberal observer also credits Crosby with recognising the capacities of pollster Mark Textor, and establishing and developing a structure where his talents could flourish.

Others dispute the success of the Liberal operation, arguing that whatever the innovations in campaigning technique, the coalition went backwards in 1998 and 2001, and could only claim an advance in 2004. "Once you win, your skills are overestimated," one Labor critic of Crosby says. But "if you are talking preparatory work, rather than campaigns themselves, you'd have to say it was a highly competent operation."

"They got good at identifying the right cohort (though I'm not going to tell you what I think that was) and moved it over to them." Nonetheless, this source argues, if the operational changes are so fantastic, why haven't the Liberals managed a win at the state level, or even kept their branches viable?

Of course, the person who set the pace for the Liberals to chase was the former ALP national secretary Gary Gray. Gray's stubborn insistence that the party's finances remain safe - even to the point of refusing to

fund a last desperate advertising pitch in a campaign he didn't think could be won in 1996 - illustrated the extent to which he was determined to make the machine impregnable, no matter how long Labor might be out of office.

The problem FOR LABOR - as it always is for a party that spends a long time in the political wilderness - is the lack of people coming through the system at either the parliamentary or organisational level. The decade has seen the decline of the factional hard men within the party, even if two of the last factional players to be taken seriously - Robert Ray and John Faulkner - were at the centre of another key drama in politics in the last decade: the power of the Senate and its committees.

Organisationally, most in the Labor camp despair. The one shining hope seen by most, whatever their factional allegiances, is the NSW party secretary, Mark Arbib. "No one's quite sure how he got there since he is both a bloody professional operator and a decent person to boot," one factional player observes of this member of a once-powerful branch, notorious for its decline over the past 10 years under the dominance of the NSW Right faction.

On the conservative side, Howard's dominance, and the general view that Costello is his clear successor, put the assessment of the senior Liberals in different terms from those of Labor. The influence of Senator Nick Minchin can never be underestimated - both for his role in shaping the Prime Minister's thinking and, perhaps not least over the past decade, because of his role in shaping the Government's attack on the republic. It was Minchin who was the architect of this discussion, including the convention and referendum which so successfully transformed the issue into the damp squib the conservative coalition wanted.

Another figure who emerges as one of the most interesting of the past decade is Amanda Vanstone. Despite some devastating setbacks along the way, Vanstone is the longest-serving female minister in the Howard Government and, for most of that time, she's been in Cabinet. She's held a staggering five major portfolios, all very different in nature and none anything but a short straw. As Education Minister, she steered some of the most radical early reforms of the Government on the issue of university funding.

Since 2003, she's been slowly and surely repositioning the Government on asylum seekers and immigration, and has recently taken on the job of mapping out the post-ATSIC world in indigenous affairs. Significantly to some, "she's a woman in politics who has never once asked for special dispensation. She has been to the abyss [when she was dumped from the Cabinet to the outer ministry] and come back. She's never complained. She's got on with it."

Just as Vanstone's influence on policy has tended to get less public acknowledgement than the antics of some her Cabinet colleagues, it is sometimes the people behind the scenes, or playing successfully from a losing hand that have had significant influence, or personify the major shifts in the politics of the era. Max Moore-Wilton, the former head of the Department of Prime Minister and Cabinet, oversaw the rewriting of the rules on the public service under John Howard. He helped establish the office of the Cabinet as a

powerful institution in its own right, more closely aligned to Parliament House than the bureaucracy. Under Howard, one observer says, we have seen the "visceral, shameless and effective politicisation of bureaucracy, not just for the sake of it, but for effective political ends."

Equally, ACTU secretary Greg Combet may not be an obvious player, particularly coming in the wake of his high profile predecessor Bill Kelty. The shift in the labour movement's political fortunes meant Combet came in as "the captain-coach of a losing side". While Combet doesn't quite make our cut for those reasons, he did respond by completely changing the trade union movement's tactics.

"He's taken the ACTU a long way from the time of the waterfront dispute," one source says, "and moved on to a surgical, but strategically brilliant, strike on the asbestos issue which has helped reinforce to the community what benefits the trade union movement can represent to workers. In the process, he's shown it's more important to have international connections than an ALP affiliation."

The past 10 years may have seen voters lulled into a state of disengagement, but the period had hardly been uneventful. In fact, it's been a decade of massive change; one that has seen nothing less than the overturning of much of postwar institutional politics.

The premier team

The pronouncement of the political death of Mark Latham in January ultimately came from the Labor premiers, though their role as collective executioner has been greatly overstated. Latham had already told the Labor machine he was going by the time the premiers emerged to tell him he should. But whatever the attempt to seize the perceived initiative, many in the Labor Party concede the power play said much about the sense that there has been a significant transfer of moral authority to the premiers as the vacuum in the federal party has intensified.

Nonetheless, the premiers have traditionally had very little organisational power. "They are carefully protected from animus. They expect a loose rein from national executive and for national executive to solve their intractable problems,"

one source observes. "Yet, look at the 2004 national conference and who the heavy hitters were. It was not the premiers."

There is little love - or respect - lost at the federal level for the most successful state premiers, even if their political successes are acknowledged. Queensland Premier Peter Beattie would "sell his grandmother for a third preference," according to one senior federal figure. "He offloads responsibility for any stuff-ups. He's the quintessential opportunist."

Another says: "Bob Carr. He's been there for 10 years. Now list his achievements." Perhaps answering that critic, a federal source says: "Bob Carr acts the role of premier. Carr at his most brilliant was seen at the Sydney Olympics. You didn't see him hanging around gold medal winners, but thanking the volunteers."

STANDOUTS: The 10 most significant political figures of the last 10 years

For each of the past five years The AFR Magazine has produced its list of the most powerful Australians in its annual 'power issue'. Those lists have traced the ebb and flow of political power year by year. The magazine's 10th anniversary has afforded the benefit of hindsight, however; a luxury that isn't possible each year. The best criterion for deciding the most important figures of the decade is who has influenced the larger political movements; who has been significant, not just powerful.

The most obvious contender is John Howard, who has reshaped the Australian political debate and political machinery, and proved a master at responding to the dramas that have unfolded.

Peter Costello's significance flows from his dominance in parliament and his clear pre-eminence as the natural successor to Howard as Liberal leader, a position that sets the parameters in which the future of the party post-Howard is discussed.

The natural third place in the 'power' lists is usually taken by the opposition leader of the day. But, perhaps controversially, our list of the 10 most significant figures of the past decade includes neither Kim Beazley, nor Simon Crean. The case for overlooking them is their failure either to define the terms of any of the major political debates, or to profoundly shift or enunciate a new direction for Labor post-Hawke/Keating.

Mark Latham just makes the list, despite the fact he suffered one of the biggest election losses of recent times. He does so because, in the early months of his leadership, he forced the government to change direction, and spend unprecedented amounts to combat the threat he posed.

Pauline Hanson - and those who used her - shifted the ground of Australian politics to the right, taking the coalition with her and, perhaps more than Howard himself, setting new boundaries for debate about immigration and indigenous affairs.

Cheryl Kernot first became the lightning rod for dissatisfaction with the new Howard-led political establishment as leader of the major cross-bench party in the Senate, then put Labor back in contention in 1997 with her dramatic switch to that party, albeit at a terrible political cost.

Three other Cabinet ministers make it to the list for diverse reasons: Tony Abbott, for successfully neutralising health as a major political weakness for the Government; Amanda Vanstone, for surviving a range of gruelling portfolios and similarly neutralising political vulnerabilities, and for making it in a man's

world more effectively than most women; and Nick Minchin, for his work on the republic.

**Lynton Crosby** oversaw the transformation of the organisational wing of the Liberal Party, which allowed it to maximise its gains once it had won office.

Max Moore-Wilton oversaw a revolution in the federal public service and the Cabinet office, which has transformed each of them into a very different beast.

Document AFNR000020050428e14t0006v