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## ELECTION 2010: A RETURNED LABOR GOVERNMENT BUT A WHOLE NEW PARADIGM

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### Overview

After 17 days, countless meetings, daily press conferences, and a small forest worth of newsprint, Australia finally has a Government. Two of the three rural independents – Tony Windsor and Rob Oakeshott – have decided they will join Tasmanian independent Andrew Wilkie and Victorian Green Adam Bandt and support the continuation of the Gillard Labor Government, while Queenslander Bob Katter has thrown his lot in with the Coalition.

This decision gives the Prime Minister and her Government the slimmest of majorities – a buffer of just two votes (although Katter said this afternoon Gillard has his vote “up her sleeve”). However the appointment of a Speaker from the ranks of Government MPs will not diminish its majority, as under yesterday’s bipartisan agreement on Parliamentary reform the Speaker and Deputy Speaker (who will come from the Opposition) are ‘paired’ and neither will vote.

While at face value the three independents and one Green who have sided with Labor would appear to be a disparate bunch, there are significant commonalities. None of the four is philosophically opposed to Government intervention and support for key projects, industries or policies, although Oakeshott has described himself as an “economic conservative”. Oakeshott has also described himself as “socially progressive”, and may join Wilkie and Bandt on issues like same-sex marriage and treatment of refugees. Along with Katter, they share concern about Indigenous issues.

If the Labor Government rejects its first-term *modus operandi* of playing the politics ahead of policy it may still be able to get some governing done. The proviso will be that ministers will need to be better politicians – not better at spin or managing the message, but better at negotiation, consensus building and making a strong public case for its policies. In that they’re well led by the PM, who was an adept negotiator as Minister for Education, Employment and Workplace Relations and nominates consensus builder Bob Hawke as her political hero.

The former union leaders in Gillard’s team – Martin Ferguson, Simon Crean, Greg Combet and Bill Shorten – are also all able negotiators and should find their talents better used in this term of Government than the last. The Leader of the House Anthony Albanese will also be kept busy.

But of course minority Government is fraught with difficulties, and it could all come crashing down. Each Labor backbencher is now in a powerful position, able to use the threat of crossing the floor to get traction on local electorate issues or even personal promotions. What is certain is that politics over the term of the next Parliament will be very, very interesting indeed.

### Engaging with Government

There are a number of factors which will significantly influence government relations during the 43rd Federal Parliament.

Further reforms to increase accountability and transparency associated with Parliamentary codes of conduct, lobbying and political donations will favour political (re)engagement based on overt, well constructed and executed strategies and a thorough understanding of the dynamics and operation of the Parliamentary, regulatory and policy process.

While the ability to prosecute a case behind closed doors without being prepared to publicly state and defend your issues will be diminished, increasing equity of access through the front door brings the challenge of attaining an effective share of voice within a very crowded space, particularly through the formative agenda setting and alliance building period.

Almost all relationships, whether pre-existing or new, will need refreshing in light of the unprecedented focus on Government stability. The late US Congressman Tip O'Neill's adage 'All politics is local' will be writ large above the office doors of all MPs and Senators. Party lines will be redrawn and constantly reviewed, with greater focus on constituent interest and impact.

The language of minor parties and independents and their constituent interests will need to be understood and spoken, so influence through 'translation' will be critical as traditional alliances and favoured positions can't be assumed.

There will be both need and opportunity to carefully engage all dimensions of Parliament – Government and Opposition, Representatives and Senate. All engagement will need to be cognisant of the 'butterfly effect' – where your issues will potentially impact and be impacted by other forces operating in seemingly unrelated areas of competing interests.

Through a period of fragile stability, being able to maintain insights and intelligence across the breadth of Government, including Government agencies and portfolio bureaucracies, will be important.

Finally, move to engage quickly but think and plan long term. Political capital will be at premium value, and burning it cheaply and without full effect can easily occur if the longer term objectives of Government are not considered.

## **Policy priorities and areas of contention**

So now that we have a Government what about the business of governing? The process of coalition-building has brought a number of issues to the fore which will now be priorities for the new Gillard Government.

### Climate change

Labor's deal with the Greens and independents will put renewed impetus behind efforts to put a price on carbon and reduce Australia's relative share of global emissions. The 'citizen's assembly' project that was to see ordinary Australians have their say on climate change has been ditched in favour of a climate change committee where politicians alongside scientific experts, instead of voters, will do the talking.

Rob Oakeshott sees climate change as a crucial issue for Australia's future and strongly supports emissions trading; Tony Windsor has in the past supported efforts to significantly decrease Australian carbon emissions and today said regional Australia had more to gain than fear from dealing with carbon pollution and embracing renewable energy.

### Broadband

Many joked on election night that the one thing that could be guaranteed was that the seats of Lyne, New England and Kennedy would now be receiving some of the fastest and most extensive broadband services in the country. The roll-out of Labor's planned \$43 billion National Broadband Network will be a key priority for the new Government and was seen by strategists as one of the key differentiators for Labor at last month's election.

### Population

Labor went to the polls on a 'sustainable population' policy platform, and the independents backing the new Government have spoken positively in the past about finding ways of reversing Australia's rural exodus and bringing new migrants to the regions.

The Greens and Adam Bandt have long campaigned for a more compassionate approach to mandatory detention and assessment of immigrants, and both Oakeshott and Wilkie have been vocal proponents of a more humane approach. This is at odds with Labor's strategy of taking a tougher line on boat arrivals, so this is one area we can expect the Labor-Green-Independent policy alignment to be tested.

### Regional development

All of the independents supporting the Government hold regional development as a key priority. It will be important for the new Gillard Government too, and in fact was an issue for them before the hung Parliament. One

well-received Labor election policy was a \$200 million program to build more houses in regional cities over the next three years. Expect many more regional-specific investments, initiatives and industry packages.

## Infrastructure

One of the strongest and clearest messages sent by voters (in marginal seats, independent-held seats and otherwise) is a concern that infrastructure development is not keeping pace with community needs. Expect to see much activity from the Government in this area, although Labor's experience rolling out the Building the Education Revolution school infrastructure and sustained political and media focus on pork-barrelling will mean that any future programs will require a highly rigorous process to be used to allocate and distribute funding.

## Senate dynamics

The current Australian Senate composition will remain in place until July 2011. In effect the same Senate dynamics which voted on the previous Government's legislation will continue to influence the legislative passage of bills during the first ten months of the Gillard Government.

The Government will have two options to secure its legislation through the Senate: either with the support of the Coalition or with the block vote of the Greens plus Steve Fielding and Nick Xenophon. To block any proposed amendments to legislation the Government has three options: either with the help of the Coalition or the Greens and either Xenophon or Fielding.

	Government Action in the Senate				
	2 Options to Pass Legislation Min 39 Votes Required		3 Options Block Senate Amendments Min 38 Votes Required		
	Option A	Option B	Option A	Option B	Option C
	ALP 32 Co 37	ALP 32 Green 5 Ind 1 FF 1	ALP 32 Co 37	ALP 32 Green 5 Ind 1	ALP 32 Green 5 FF 1
Total Votes	69	39	69	38	38

The Opposition will have three negotiating options to block or amend Government legislation because of its strong Senate representation, although some of these are unlikely.

	Opposition Action in the Senate					
	3 Options to Amend Legislation Min 39 Votes Required			3 Realistic Options Block Legislation Min 38 Votes Required		
	Option A	Option B	Option C	Option A	Option B	Option C
Co 37 ALP 32	CO 37 Green 5	CO 37 FF 1 Ind 1	Co 37 Green 5	Co 37 Ind 1	Co 37 FF 1	
Total Votes	68	42	39	42	38	38

There are two important points to keep in mind regarding the Senate's voting dynamics:

First, the Australian Greens, Steve Fielding and Nick Xenophon will continue to be influential in determining the outcome of contentious legislation. These dynamics will dominate a significant period of time into the Government's new term. While results in the other chamber may have changed, sound relations with the same key senators remain vital.

Second, the Senate could be very obstructionist in the short to mid-term future. The Opposition is aware that its strong position in the Senate is limited and public comments made by Steve Fielding that he is unwilling to

negotiate with the Government indicate that legislative passage through the upper house will be difficult. This scenario invites either legislative gridlock or an increased reliance by the Government on regulation until the new Senate term begins next year.

## House of Representatives dynamics

The hung Parliament means the House of Representatives for the next term of Government will be a very different beast from the largely procedural Chambers of the past. 'Parliamentary reform' is really code for changes to the operation of the House of Representatives, with the changes to the lower house championed by Rob Oakeshott and agreed by both parties bringing it more in line with the arrangements in the Senate.

Question Time will now see questions limited to 45 seconds and responses from ministers limited to four minutes, with the response required to be 'directly relevant'. The Government will only be able to use limited notes and the Opposition will be allowed to ask supplementary questions. The Speaker will also be able to enforce the standing orders without a member raising a point of order.

The ability for local members to focus on issues facing their electorate or to push issues of personal interest on the floor of Parliament will be improved, with the time for Matters of Public Importance after Question Time extended, Private Members' business prioritised and voting to be allowed for Private Members' bills.

These additional opportunities to raise issues and introduce legislation and the structure of this Parliament may well see the resurrection of the multi-partisan coalitions on particular issues, much like the cross-party group of female politicians that emerged on RU486 in 2005-06.

But perhaps the biggest change will be in the role of the House of Representatives Committees, with contentious legislation to be referred to its relevant committee for consideration and public consultation. Committees will contain seven members and are unlikely to be dominated by either side, with a likely make-up to be three Labor, three Coalition and one crossbencher per committee.

This will inevitably slow down the processes for the passage of legislation as committees in both houses will be afforded the opportunity to review and report on legislation. However, it will also provide opportunities for external parties to raise concerns or provide support for legislation in a public forum.

Ministers will now also be compelled to respond to committee reports within six months of tabling and then appear before the committee to explain their response, providing additional opportunities for ministers' decision-making to be scrutinised by Parliament, particularly ministers in the House of Representatives who do not appear before Senate Estimates.

Managing relationships across the political spectrum in the lower house will be critical to engaging on legislation, with two or three votes the practical difference between legislation being defeated or passed.

## What's next for the Opposition?

After more than two weeks of tortuous negotiations and having come so close to securing its place in history, the Opposition's inability to form Government will be a very bitter pill to swallow. Inevitably there will be recriminations, many of them directed at the Nationals given the suspicion held by some that the junior Coalition partner secretly preferred to be condemned to Opposition than have a situation that would see them effectively playing third fiddle to the Independents.

The Liberal Party organisation is also unlikely to escape scrutiny, with serious questions asked about the apparent disorganisation of the national campaign at the outset, and the relatively poor performance of some state divisions and their inability to even retain, let alone pick up some very key seats.

However, as disappointed as he surely feels today, Opposition Leader Tony Abbott still deserves to feel proud. Along with his close team of personal advisers and a handful of campaign-experienced Parliamentary colleagues, he has brought the Coalition back from the brink of electoral annihilation, given them the unexpected sniff of victory, and positioned them well to fight the next campaign, which could be sooner rather than later.

Despite winning the leadership by the narrowest of margins only nine months ago, his impressive performance, not to mention the raft of new Coalition MPs who have benefited from it, should ensure he retains the leadership for the medium term.

But many challenges lie ahead. A deft pugilist when in combat mode, now the election is over Abbott must transition quickly into the role of a strong alternative leader offering a differentiated vision for Australia, and supported by a team with the practical expertise to govern.

Most importantly, they must avoid the temptation of becoming spoilers. The Gillard Government can be assured of prosecuting this case to their benefit and if successful, there is a strong risk of a shift against the Opposition at the next election. It will be a fine line to walk between offering legitimate opposition to Government decisions and being portrayed as the cause of the nation's political instability.

## **How the Public Service will deal with 'the new paradigm'**

Tick, tick, tick, tick. That's the noise of Canberra public servants watching the clock for the last 50 days waiting to find out who their political masters are. What they wouldn't have anticipated, however, was the dramatic effect the election result and subsequent Parliamentary reform will have on their task of serving the Government.

The importance of the House of Representatives and the increased powers of its committees will mean more demand for policy information and analysis and greater accountability of departments. The independents and Greens, whose votes are vital, will want the same information that's provided to the Government, as will the vetting committees set up to scrutinise contentious legislation. It will be up to ministers and their offices to manage the information flows between the APS and the Greens and independents. The APS will be judged on how well it adjusts to these changed circumstances.

Within the Gillard Government, many ministers have established good working relationships and levels of trust with their departments that will allow them to hit the ground running, although time will be required to make the relationship work within 'the new paradigm'. Do not expect significant changes to the public service structure or senior leadership following a wide ranging reshuffle in 2009, and with many current Secretaries in the middle of five-year contracts.

The implementation of the Moran Reforms will shift to focusing on finding administrative efficiencies across the APS, rather than changes to its culture.

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