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# July to December 2015

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### "They took some honey, and plenty of money..." Prising Bronwyn Bishop from the Speakership, a Prelude to Leadership Transition

Prime Minister Tony Abbott was begrudgingly forced to dump his personal favourite, Bronwyn Bishop, from the presiding officer's position in the House of Representatives, after her reluctance to explain or apologise for abusing her travel entitlements. But Abbott's stoic defence of his beleaguered New South Wales colleague came at a high price to his own leadership standing in the aftermath of the entitlements scandal. In August 2015 the septuagenarian Bishop became the third Speaker of the Australian parliament to be brought down in less than four years.

In the Australian parliament, the office of speakership was traditionally a job for worthy but uninspiring "quiet-lifers" who enjoyed the fruits of office without having to do a great deal or manage a portfolio. The "grace and favour" job had long been a sinecure at the disposal of the governing party reserved for those not managing to make the ministry. But, in the recent context of hyper-adversarial parliaments (and the previously hung parliament), the speakership suddenly became a post of considerable contention. Firstly, the long-suffering Harry Jenkins was cynically ousted by Labor's factional lieutenants to make way for the renegade Peter Slipper, who, after agreeing to be Speaker for Julia Gillard's government, was forced to resign in disgrace by the Independents aligned to the minority Labor government. Slipper was replaced by Labor's Anna Burke who survived less than a year prior to the 2013 federal election. Bishop, who quickly gained a reputation for extreme partisanship in chairing the chamber, looked to have escaped these dastardly intrigues but managed to bring disgrace upon herself in the so-called "expenses rorts" scandal involving the abuse of parliamentary entitlements. It was reported in early July that she had chartered a helicopter to take her and her staff from Melbourne to Geelong (an hour's drive) at a cost of over \$5,000 and had attended private functions at taxpayers' expense.

The wanton extravagance of the presiding officer was greeted with much outrage and ridicule, while focusing intense media attention on the more widespread abuse of these parliamentary entitlements by the current crop of politicians. Soon other dubious expenses claimed by many leading parliamentarians were revealed — attending weddings of colleagues and friends (Tony Abbott and Bronwyn Bishop), buying real estate with travel/accommodation allowances (notably Joe Hockey but also a host of other Liberal, Labor and National MPs), attending private functions such as book launches or meeting with interest groups pretending to be on parliamentary business

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(Bill Shorten). Many other parliamentarians were also outed taking families for holidays (Christopher Pyne), escorting new lovers on overseas jaunts (Tony Burke), going on wine tours (Peter Slipper) and stocking their personal libraries with thousands of books (earning one senator the moniker George "Bookshelves" Brandis as the *Saturday Paper* soon dubbed him).

The Bishop scandal consumed almost all the media's attention for three to four weeks in July making it impossible for the government to shift attention to good news policy messages. By steadfastly refusing to admit error she eventually forced the Prime Minister (or his senior advisers) to act on 2 August as calls for her resignation proved irresistible, but only after Abbott's intransigence heightened concerns about his political judgement from close colleagues. In her resignation announcement Bishop claimed to have served the people in all she did, but was clearly bitter at being deposed from the post by Abbott's staffers. The Liberals' Tony Smith succeeded Bishop (and restored some sense of impartiality) while the instability over the expenses scandal soon shifted numbers in the Liberal party room.

Labor's National Conference held in July was, by contrast, a carefully choreographed affair which nevertheless had to deal with three tricky issues — Labor's conversion to the government's "turn back the boats" policy nullifying the business model of the Indonesian people smugglers; resolving an agreed party line on a parliamentary vote on same-sex marriages; and committing a future Labor government to an astounding 50 per cent renewable energy target by 2030. Although Bill Shorten angered the Left with his commitment to maintain Abbott's "stop the boats" policy, he won party plaudits for his ambitious renewable energy program. The patched-up compromise on same sex marriage allowed Labor's caucus to exercise a conscience vote in the present parliament were any of the bills proposing same-sex marriage ever to come to a vote, but then support it as official party policy after the next election (i.e. enforcing a whipped vote). In contrast to Labor, the Abbott government announced in August after a heated joint party room debate that it would conduct a public plebiscite but only after the next election (a compromise commitment made to stem demands for a conscience vote among Liberals, and one that survived the September change of leadership) even though some conservatives stated that they would not vote for marriage equality whatever the result of the plebiscite.

# Royal Commissioner Dyson Heydon Compromises Himself but Delivers his Report

The Royal Commission into Trade Union Governance and Corruption (established in March 2014 following an election pledge by the Coalition) conducted its second year of hearings in 2015 — following seventy-five cases of questionable conduct, holding over 200 days of hearings and interviewing over 500 witnesses. The commission handed an interim report in December 2014 and a final report on 29 December 2015, which was then publicly released the next day. The findings based on forensic investigations included widespread misconduct across Australia, misuse of union funds by officials, bribery and perjury, extracting payments from employers by extortion, stand-over tactics and even death threats. The unions involved were largely in the transport and construction industries but included branches of the Human Services Union. Besides criminal proceedings that would occur as a result of the investigations, the commission made seventy-nine recommendations concerning union governance, accountability and transparency; but the government's main concern was to announce that it would move in the new year to re-introduce the Australian Building and

Construction Commission to "re-establish respect for the rule of law in the construction industry" (Prime Minister's Press Release, 30 December 2015).

Labor and the ACTU, rather than facing up to the problems, continually cried that the commission was a political witch-hunt. But questions of the Commission's head Dyson Heydon's impartiality were raised when it became known in August that the commissioner had agreed to address a Liberal Party gathering. Labor accused the Commissioner of "apprehended bias" (claiming that an "ordinary person" could have an apprehension of bias by the commissioner's own actions). Heydon was called upon to review his own fitness to continue the investigation, which he did in a sixty-seven-page report, denying any apprehension of bias could be maintained. In a strange quirk to history, the Labor opposition then tried an extraordinary stunt by requesting the Senate to require the Governor-General to dismiss Heydon from his commission of office (forgetting, or perhaps not caring, that the former Labor PM Gough Whitlam had raged against his own unprecedented dismissal at the hands of the Queen's representative in 1975).

#### **Policy Merry-go-rounds**

Elsewhere the cause of Indigenous Recognition in the Constitution appeared to be an intractable problem. Despite expert committees, parliamentary reports, a widespread campaign and endless negotiations and impromptu suggestions from a host of advocates, the issue seemed stalled over three complex issues: how to excise "race" from the Constitution while allowing the Commonwealth to make laws for Aboriginal people; whether any change (and wording) should be symbolic, modest or more substantive; and whether the Constitution should be amended to explicitly prohibit racial discrimination. As with the same-sex marriage campaign, it appeared that proposals to ask the people to settle such complex issues were fraught with divisive politics.

Tax reform (or more accurately tax inertia) preoccupied both the government and opposition and much of the attention of the media and "usual suspect" lobby groups. Before he was ousted as Treasurer, Joe Hockey ruled out a GST rise to 15 per cent in August because he said he was "not going down the path of simply increasing taxes to give more money to the states to spend more". His successor, Scott Morrison, initially reopened the question but again subsequently ruled out an increase, partly because compensation payments would absorb possibly over half the revenues raised, most of the money would go to the states, and Labor was spoiling for an electoral stoush by implacably opposing a GST increase. With the GST "off the table", any other tax changes were likely to be incremental as the government turned its attention to negative gearing and superannuation concessions. The government had better luck with the signing of the China-Australia free trade agreement, following similar ones signed with Japan and South Korea. Although Labor attempted to oppose ratification, fearing Chinese firms would employ cheap Chinese labour at below-award wages, the government steered the relevant legislation through the Senate with the eventual support of the Labor opposition after three amending labour market provisions were accepted by the government. Another issue the government seemed unable to bring to completion, was the ongoing saga of the next generation of submarines with arguments over which of the three short-listed to purchase, where to source and where to build, at home or overseas. The government did not want to antagonise foreign powers with its decision or complicate things with the American alliance.

### Waves of Compassion for More Huddled Masses, but also Border Protection Grows

Over the northern summer of 2015 thousands of Syrians, Iraqis, Afghans, Pakistanis, Eritreans, Nigerians, Kosovans and Serbians and Albanians suddenly flooded into Europe, creating a migrant crisis with over one million entering the EU in 2015. Some arrived by boats across the eastern Mediterranean (at a huge cost of lives) but others across the land corridor through Turkey, Macedonia, Serbia and Hungary into Austria and Germany, crossing through many countries of potential refuge before reaching their chosen destinations. Many Syrians also remained in Jordan and along the Turkish border. Others from northern Africa sailed to Italy or perhaps to Spain and were ferried through the perimeter EU nations onto northern European destinations. The migrant crisis was often perceived as a peculiarly European problem, but some of the perimeter nations refused to share the strain and sought to re-establish border protections and erect fences to keep intending transients out. Some wealthy nations outside Europe (especially the US and Saudi Arabia) also did little to assist in either taking numbers of asylum seekers or providing humanitarian funding. In Australia, although the incidence of boat numbers and the people smuggling trade had largely ceased following the "turn back the boats" policy, the government announced it would take 12,000 Syrian and Iraqi refugees under a humanitarian program (from Jordanian and Lebanese camps), but at the same time indicating it would preference minorities and skilled migrants the "most vulnerable" from war-torn areas, which was often seen as a code for Christians or other oppressed minorities.

# The Mid-term Ousting of PM Tony Abbott: Australia's "revolving door" Leadership

The popular, if controversial, Western Australian Liberal MHR Don Randall died in July, causing an unexpected by-election for his seat of Canning; a development which increased nervousness among government ranks. There had been much media speculation that a ministerial reshuffle was on the cards some twelve months out from an election. Rumours of an impending reshuffle to re-energise the government unnerved many older ministers who feared they would be targeted either for demotion or a return to the backbench. News Corp tabloids such as the Daily Telegraph reported that they had acquired a so-called "hit-list" of ministers to be dropped, some of whom were among Abbott's closest loyal supporters. On the eve of the Western Australian Canning by-election, Abbott's deputy Julie Bishop visited him before Question Time on 14 September to ask him to stand down or call a party leadership ballot. Although his deputy, she had arrived at the view that Abbott was not the best person to lead the government to the next election. Not surprisingly, Abbott refused to comply. Malcolm Turnbull then immediately resigned as Communications Minister and walked into the courtyard of Parliament House to announce his challenge for the leadership, believing he had the numbers to beat the incumbent. Abbott took a couple of hours to compose himself before issuing a defiant statement regretting the challenge but claiming he had the majority support of his party colleagues. He apparently spent much of this time trying to negotiate a deal with Scott Morrison to become his new deputy implying Joe Hockey would be removed as Treasurer, but failed to get agreement. Turnbull's ostensible reasons for challenging his leader were that the government had lost thirty opinion polls in a row according to Newspoll, that Abbott and Hockey were not providing the economic leadership the country needed, and that Australia needed a more inclusive and consultative style of government (Weekend Australian, 19-20

September 2015). Following a party-room vote of 54 to 44 in favour of the challenger, Turnbull began by relieving Abbott's chief of staff, Peta Credlin, of her responsibilities, appointing his former departmental secretary Drew Clarke (a public servant) as his own chief of staff and lining up Martin Parkinson, the former head of Treasury, as his head of Prime Minister and Cabinet.

#### Turnbull's Triumph — "never been a more exciting time to be alive"

Malcolm Turnbull was sworn in as Prime Minister the day after the spill at 2 pm on 15 September, becoming Australia's twenty-ninth PM since Federation. He famously kept reiterating that this was the "most exciting time in human history to be alive", declaring he would restore good cabinet government and promising to lead the government as "first among equals". His full initial ministry of forty-two (twenty-one cabinet ministers, nine in the outer ministry and twelve parliamentary secretaries) was sworn in on 21 September. The new ministry demonstrated the fine balancing act Turnbull had to make to reduce the acrimony, rebuild unity and provide stable leadership in government; yet as Paul Kelly noted some very talented Coalition members missed out and some of those promoted were inexperienced or likely to be "duds" (see *Inside Canberra*, Vol. 68, 34 (date?).

Turnbull dropped many of the "old guard": Tony Abbott, Joe Hockey, Eric Abetz, Kevin Andrews, Ian Macfarlane, Bruce Billson, Bob Baldwin and Michael Ronaldson; but rewarded his most loyal supporters promoting Mitch Fifield (Communications and Arts), Christian Porter (Social Services), Simon Birmingham (Education), Christopher Pyne (Industry, Innovation and Science) and briefly Arthur Sinodinos (Cabinet Secretary) and Mal Brough (Special Minister of State), along with Peter Hendy, Wyatt Roy and Ken Wyatt. As expected, he promoted the New South Wales conservative Scott Morrison to the Treasury, (who reputedly "ran dead" in the leadership contest), his third major portfolio in just two years. Turnbull's first ministry included five women members of cabinet, including Julie Bishop (Foreign Affairs) and Sussan Ley (Health with added responsibility for Aged Care) who largely retained their existing portfolios, while Marise Payne (Defence), Michaelia Cash (Employment) and Kelly O'Dwyer (Assistant Treasurer) were promoted to senior ministries. Some key Abbott supporters who had performed well or were doing a difficult job were retained; Mathias Cormann (Finance) and Peter Dutton (Immigration) both kept their existing portfolios, while Josh Frydenberg was promoted to cabinet with responsibility for Resources and Energy.

In the meantime the Liberals managed to hold onto Canning, electing Andrew Hastie to the Representatives but suffering a swing of around 6.5 per cent with a two-party preferred vote of 55.2 per cent to Labor's 44.7 per cent. Three new senators also took up their positions in the second half of 2015, all nominated by state parliaments to fill casual vacancies under Section 15 of the Constitution. Nick McKim, the Tasmanian Greens leader, replaced Christine Milne in August; Robert Simms replaced South Australian Green Senator Penny Wright in September, who had resigned for health reasons, and Jo Lindgren, although appointed in May to replace Brett Mason (Queensland LNP), presented her maiden speech in August.

After the leadership spill, some Abbott supporters did not go quietly; both Abbott and Andrews continued to comment on defence and security matters, afflicting the fortunes of the new government with conflicting messages. As one colleague stated about Andrews, he was "silent as a tomb for 12 months and now you can't shut him up". Abbott characteristically went surfing while he weighed up his future options (eventually confirming he would recontest his seat), while Joe Hockey immediately

indicated he would resign from parliament, triggering a by-election in his North Sydney seat. The by-election became the focus of a factional struggle between the New South Wales Right and Moderates with moderate Trent Zimmerman (a former staffer and adviser to Hockey) appointed to contest the seat which he won relatively comfortably on 5 December 2015 with a two-party preferred vote of 60.2 per cent to an Independent candidate on 39.8 per cent (Labor did not contest the safe Liberal seat).

However, the new Turnbull ministry suffered from the outset a number of self-inflicted casualties. Mal Brough and Arthur Sinodinos both stood down in late December, Brough under police investigation, Sinodinos still under investigation by the New South Wales Independent Commission Against Corruption; then Jamie Briggs (Cities and the Built Environment) was forced to step down in January over inappropriate behaviour while on overseas business towards a consular public servant in a Hong Kong nightclub. There was much anticipation over summer that the Nationals leader, Deputy PM and Infrastructure minister, Warren Truss, would retire; although prevaricating, he continued to keep the media and his party dangling, and given the likelihood his successor would inevitably be Barnaby Joyce, some of his National colleagues implored Truss to stay on to contest the next federal election. Truss eventually confirmed he would not recontest his seat.

In December the former Liberal minister Ian Macfarlane failed in a botched attempt to defect to the Nationals to regain a ministerial position in Turnbull's ministry. Although he announced publicly he would readily swap parties, causing much angst and instability to the new leadership group, the Queensland NLP executive denied him permission to defect and he demurely accepted the decision, undoubtedly bringing his political career to an inglorious end (and shortly afterwards announcing he would not recontest his lower house seat of Groom). Macfarlane's ill-considered tactic backfired but was widely interpreted as a challenge from the conservative-oriented Liberals against Turnbull's leadership.

The year ended with mounting speculation over whether other long-serving parliamentarians should make way for new talent, with Bronwyn Bishop, Philip Ruddock and Andrew Robb being the most talked about among the Coalition. Over summer both Ruddock and Robb announced they would not recontest, after Baldwin, Billson, Ronaldson and Bruce Scott, Mal Brough, Bill Heffernan, Andrew Southcott and Teresa Gambaro had all indicated they were going (fifteen members in total, implying a turn-over of almost 20 per cent of the Coalition members in parliament), but Bishop tried to hang on, seeking pre-selection in a competitive field. On Labor's side, many MPs who had had their day indicated they would not recontest their seats after the tumultuous years under Rudd-Gillard and with the prospect of more years in opposition, including Kevin Rudd and Bob Carr (who resigned in 2013), Kate Lundy (who resigned in 2014), Joe Ludwig, John Faulkner, Alan Griffin, Gary Gray, Anna Burke, Bernie Ripoll, Melissa Parke, Jan McLucas, Kelvin Thomson, and surprisingly Western Australia's Alannah MacTiernan who after a career in state politics and just one term in Canberra appeared reluctant to wait in the queue for a senior position in government. Labor's first-term senator Joe Bullock from Western Australia also announced over summer he could not campaign for a party that supported a party vote in favour of same-sex marriage, and so would step down at the election. The 14 resignations in the Labor caucus meant that almost 18 per cent who began the 2013 parliament were not recontesting the 2016 election.