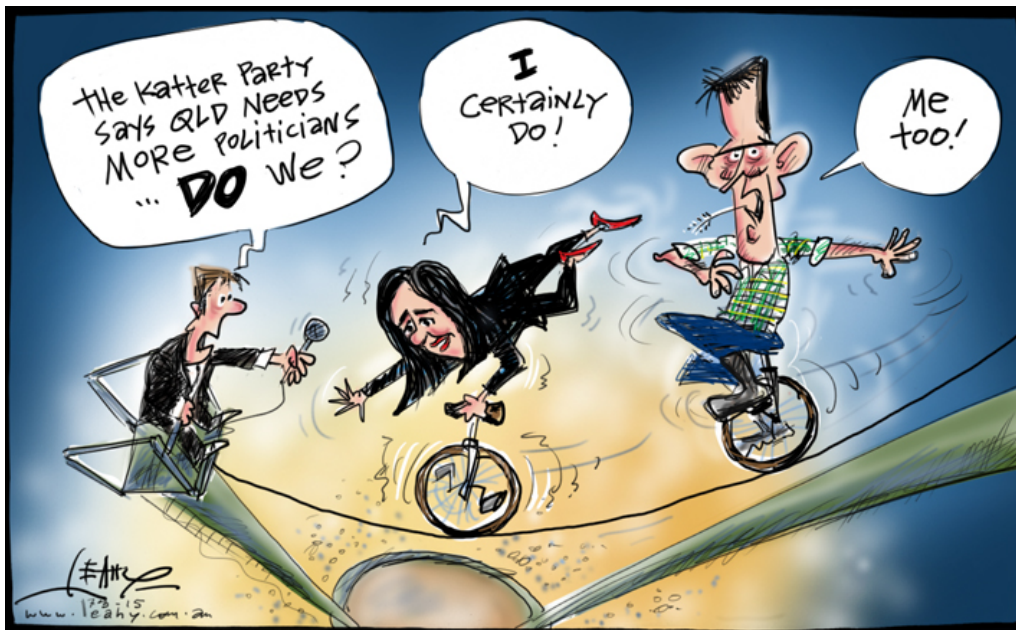


PALASZCZUK'S FIRST YEAR

a political juggling act



by **Roger Scott** and **Howard Guille**
with illustrations by **Sean Leahy**

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About the authors

Emeritus Professor Roger Scott was the 1961 Tasmanian Rhodes Scholar. The fieldwork for his doctoral thesis on the development of trade unions in Uganda was completed while he was a Rockefeller Teaching Fellow at the University of East Africa, Kampala. Between 1965 and 1977 he held teaching appointments at the University of Sydney, the Queen's University of Belfast, and the Canberra College of Advanced Education.

In 1977 he was appointed J D Story Professor of Public Administration, University of Queensland. In 1987 he became Principal of the Canberra CAE, then became Foundation Vice-Chancellor when the CCAE became the University of Canberra.

He returned to Queensland when he was appointed to serve as Director General of Education in 1990. In 1994, he moved to QUT, where he became Dean of Arts and then Professor of Public Management in the Faculty of Business.

Since his retirement from full-time employment in 2001, he has held sessional and then honorary appointments at the University of Queensland. Between 2009 and 2013 he was Project Director on an oral history project 'Queensland Speaks' in the Centre for the Government of Queensland.

He was appointed the inaugural Executive Director of the TJRyan Foundation in 2013.

Dr Howard Guille worked and taught in Europe and New Zealand before coming to Australia in the mid-1970s. He was the foundation appointment in industrial relations at what became Brisbane CAE. He worked at the Trades and Labour Council of Queensland from 1988 to 1992. He was involved in major projects in award restructuring, industrial policy and in trying to combat corporatisation, privatisation and national competition policy.

Howard was the Queensland Secretary of the National Tertiary Education Union from 1994 to 2006. He was involved in enterprise bargaining, the Indigenous Stolen Wages Campaign and three Papua New Guinea National Minimum Wage Cases. He was a member of the TLC Executive from 1996 to 2006.

He has undertaken research and written on a wide range of topics including industrial relations theory and policy, labour market policy, globalisation, industry, housing and social policy. He is an editor of *Australian Options*.

May 2016

An electronic version will be made available at: TJRyanFoundation.org.au

Foreword

Courses on State government do not feature in many schools of political science, where many staff and students often prefer the vicarious excitement of international affairs. Even Canberra seems dull by comparison, let alone Brisbane. The TJRyan Foundation sees one of its roles as filling the gap this has created locally by providing regular commentary and analysis. We hope that this book will promote interest within universities and among the general public in how public policy is made inside the Queensland government and the impact of public policy decisions on the community.

The book set out to deal with a single year, starting with the accession to power of the Palaszczuk government in mid-February 2015, to be a sequel to '[Queensland 2014: Political Battleground](#)' published by the Foundation in January 2015.

I am not a political economist. Dr Howard Guille unhesitatingly agreed to come to my rescue this time around by producing major contributions drawing on his long practical and academic experience in the field of labour economics.

It is now May 2016, and it has been a constant temptation to update the manuscript, as events have unfolded, especially when clear end-points have been reached, such as the referendum on fixed, four-year parliamentary terms or decisions made on various committee reports. But our principal aim is to give a snap-shot of the first year of the Palaszczuk Government.

Given the parochial focus of the book, and the limited time frame, we draw on a limited range of sources. The TJRyan [Foundation website](#) provides a repository for online sources including previous Research Reports on a range of Queensland policy areas, and papers catalogued by policy topic, as well as Queensland political history. A number of these reports give historical background to the current study, particularly the anthology of contributions [The Newman Years: Rise, Decline and Fall](#), edited by Ann Scott.

Electronic links have been provided to open online sources, notably the ABC News, *Brisbane Times*, *The Guardian Australia*, and *The Conversation* (academic articles on public policy issues published by a consortium which includes most Australian universities). Any sources that are behind paywalls are given traditional citation in footnotes.

The TJRyan Foundation is grateful to Sean Leahy for, once again, giving us permission to reproduce cartoons that first appeared in the *Courier-Mail*. Mr Leahy maintains his own [cartoon archive](#) containing all his contributions to the *Courier-Mail*.

Early drafts of this publication were read by various members of the TJRyan Foundation Board and Executive. I am grateful for their insights and advice. This does not diminish the accountability of the authors for the opinions expressed here.

As an author, feeling my way through the modern technology of online production, I also need to acknowledge the expert contribution of Robert Whyte of [ToadShow](#), and the essential role played by Dr Ann Scott, the Executive Editor of the TJRyan Foundation. Ann remains simultaneously my strongest source of inspiration and my fiercest critic, as well as the provider of exemplary technological skills. She remains indispensable in every possible way.

Roger Scott

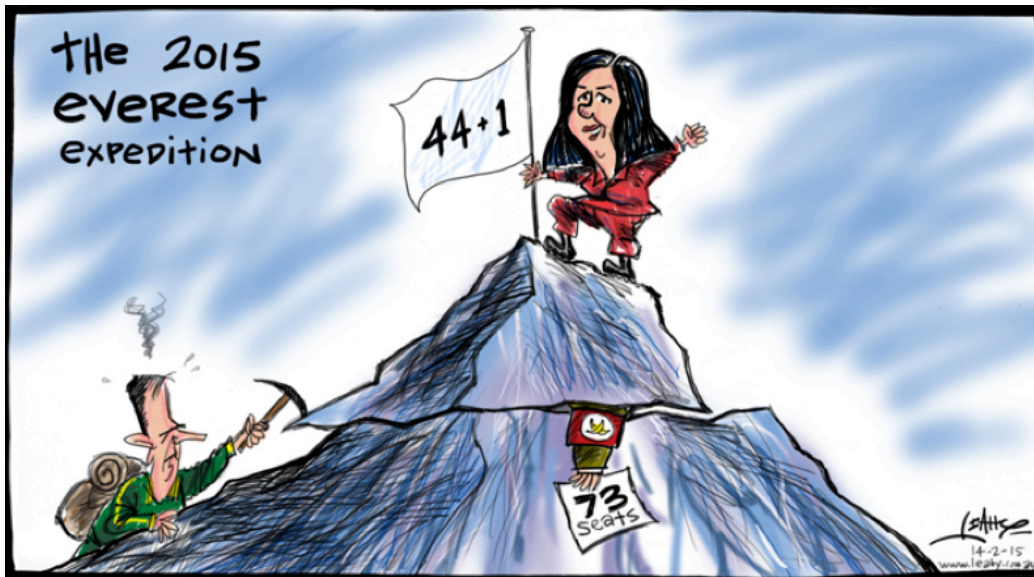
27 April 2016

TABLE OF CONTENTS

Overview	1
1 Transition to government	4
Feminising the Cabinet	4
Appointing new department heads	6
Gender and bureaucracy	7
Feeding the fat cats?	8
Federal-State relations	10
2 Finding the funds: budgets and debt	14
The 2015 Budget	15
The politics of debt	17
The 'wicked dilemma'	18
3 Implementation: electoral manifesto of small targets	21
Government by 67 varieties of inquiry	22
A study in contrasts: Health and Education	26
A running sore: vocational education and TAFE	30
Unscripted responses to unexpected reviews: the racing industry	33
Tension between land and sea: environmental protection	34
4 The resources curse	38
The situation facing the new ALP Government	39
The contribution of mining	39
The New Hope Group's Acland mine	45
The Galilee Basin – hot air and jobs	47
Mineral sand mining on Minjerribah/North Stradbroke Island	49
5 'Jobs, Jobs, Jobs': jobs now and jobs for the future	51
The state of employment	52
Policies on training and job creation	55
Some overall considerations: limits to training	57
What kind of jobs?	58
How smart is the Smart State?	59
Shaping the market, not relying on it	60
6 Politicians, judiciary & police: separation of powers	62
Coping with the independence of Parliament	62
The independence of Billy Gordon, Member for Cook	62
The independence of Katter's Australian Party	64
Katter, Gordon, and curbing drunken violence	66
Discussions about changing the rules	67
Organised Crime Commission of Inquiry: VLAD in perspective	74
Politicians, the courts and public opinion	76
7 The challenges of political leadership	78
Postwar reconstruction for the LNP Opposition	78
Internal LNP Leadership Stresses	81
Fractures in the labour movement	84
Palaszczuk as 'accidental leader'	87
8 Annastacia's juggling act	91

Overview

Roger Scott and Howard Guille



'Mandates, promises and surprises' was the title chosen by Geoff Gallop for his keynote address to the TJRyan Foundation in February 2015. Drawing on his combined experience of serving as Premier of Western Australia and as an academic political scientist, he made an observation pertinent to our analysis of Queensland:

In our system of democracy the rules that govern the pursuit and exercise of power and influence are underpinned by two principles – firstly the accountability of government to the people and, secondly, the obligation of governments to act according to law and in the public interest. In order to provide for the first there needs to be 'free, fair and regular' elections and for the second a set of agencies, most notably parliament and the courts, with sufficient independence to safeguard the public interest.¹

This book deals with each of the two principles, starting with a description of government in action and then reviewing constraints imposed on it by the requirements of accountability. Gallop pointed to a need for 'renewed commitment to the separation of powers and the work of independent agencies of accountability', an issue of particular historical significance in Queensland.

The main theme of this study is the problem of maintaining balance in the face of Gallop's two principles : the conflicting demands for taking purposeful action and for responding to legitimate calls for public accountability. Keeping one's balance is the primary prerequisite for successful democratic leadership. Juggling competing and changing priorities is the ultimate test of political leadership. Writing during the era of the English Civil War, John Selden correctly affirmed that 'the world cannot be governed without juggling'.²

The TJRyan Foundation has published a series of commentaries on Queensland government and the Queensland Parliament starting with 2012.³ At the end of December

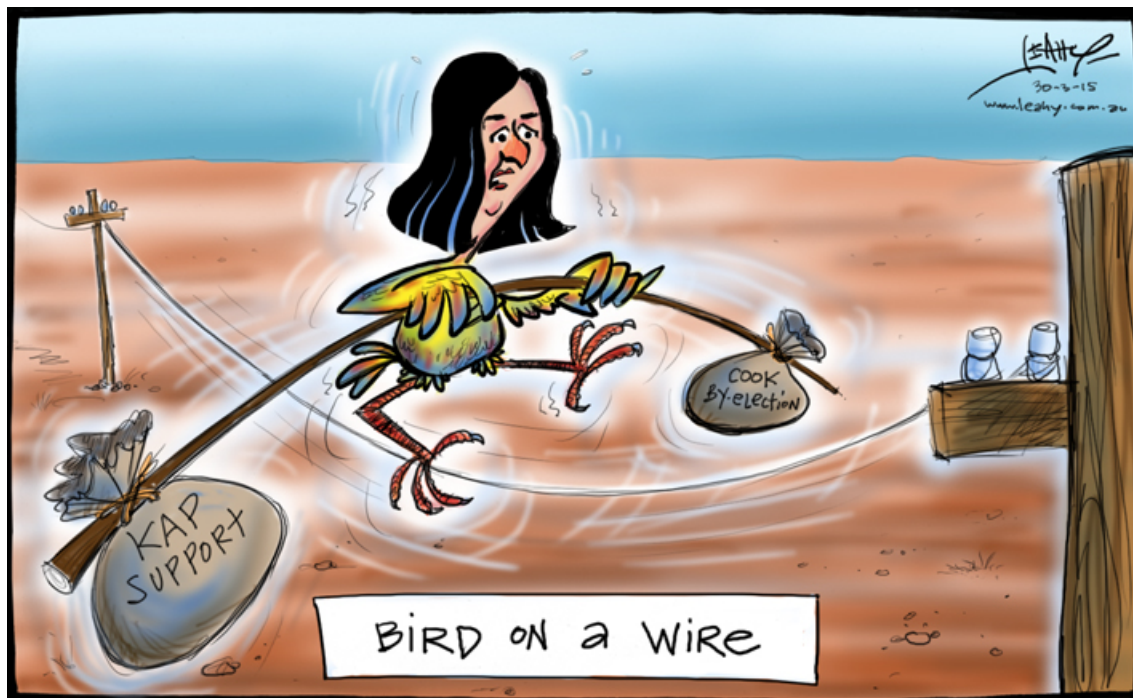
¹ Gallop G, [Mandates, Promises and Surprises](#), keynote address to the TJRyan Foundation, February 2015,

² John Selden, English jurist and scholar 1584-1654.

³ [Parliament under Campbell Newman 2012-2013](#); [Parliament under Campbell Newman 2014](#); [Queensland 2014 - Political Battleground](#); [The Newman Years: Rise, Decline and Fall](#).

2014, it published its annual overview of the Newman Government. This was revised a month later to take account of the intervening election which removed Newman from office. In both, there is a war-like metaphor of combatants, campaigns and battlegrounds.

The military metaphor has been dropped in this study, to reflect the less confrontationalist style which typified Queensland politics throughout 2015. But there is a sense in which it can be extended to describe 2015 as one of post-war reconstruction, with both sides cautiously picking up the pieces and restoring the damage done to the fabric of state institutions. Or 2015 could be characterised as a different sort of warfare – a government which scarcely believed its luck in just scraping into power and was then ‘battling’ to maintain stability.



Neither description conjures up the image of an army advancing to occupy dramatically new public policy territory. Equally, neither fits the reality which faced the newly-installed regime. Behind the headlines and the cartoons generated by parliamentary uncertainties, the new government at the start of 2015 was getting on with running the machinery of State.

This monograph differs from earlier ones by adding the depth of analysis provided by a specialist economist. The focus of a political historian on the personalities and incidents which command public attention has been supplemented by the more systemic insights from political economy and labour economics. We have indicated where the seams exist between the contributions of the two authors and we do not apologise for any differences in emphasis between the chapters.

The study looks beyond simplistic issues of personality types and ‘soft politics’ without ignoring their relevance to voting behavior. It starts by describing the machinery of government put in place by Palaszczuk, relating to Cabinet, chief executives, advisers and public servants.

We have made no attempt to make a systematic analysis of every portfolio or policy issue. We consider the policy process by focussing on the three key social issues of education, health and environmental protection which face any government – and noting

one which appeared unexpectedly on the agenda: the racing industry. Three major economic issues are dealt with: budgets and debt management, then what other writers have labelled as 'the resources curse' and finally the crunch issue of employment.

We then consider various dimensions of accountability – the impact of institutions which constrain the freedom of action of governments. Parliament required more than usual attention. In many circumstances under the Westminster system, Parliament is easily managed by governments commanding comfortable majorities but this is increasingly not the case. Certainly the Queensland unicameral system and the narrowness of the 2015 election result required constant attention from the Palaszczuk Ministry. There was also the Newman legacy undermining the separation of powers – controversies over the role of the anti-corruption agency, senior appointments in the judiciary, the priorities of policing, the role of magistrates and the operation of the court system.

Accountability to the wider society is secured in most democracies through the intermediary role of a competitive party system. There is full recognition of the role of independents and of minor parties inside and outside parliament but also focus on the two major parties: on the rebuilding of the LNP under new leadership, coping with its legacy of a costly election loss and ill-judged decisions in government, and on the internal dynamics of the ALP, its fraught relationship with the labour movement and the challenge of internal factional and ideological differences.

The study concludes with an assessment of the performance of the Premier viewed comparatively and in the context of political science literature on 'leadership'. It deals critically with the proposition that Palaszczuk ought to be regarded dismissively as 'an accidental Premier' whose only electoral appeal was that she was not Campbell Newman. In explaining Palaszczuk's performance through her first year in office, the cartoonist's notion of balancing on a single tightrope is extended by identifying the constraints imposed by a complex network of stresses on the policy-making process. In the political circus of Queensland government, this has required the skills of a juggler rather than a unicyclist.

1 Transition to government

Roger Scott

The most recent Queensland state election was held on 31 January 2015. Because the result was so close, it took two weeks for the outcome to be finalised.¹ On Friday 13 February 2015, the Governor invited Annastacia Palaszczuk to form her government after she was able to demonstrate that she had the confidence of the Legislative Assembly.

One of the first acts of any new government must be to establish its preferred 'Machinery of Government', determining the size of Cabinet and the allocation of Ministerial portfolios. The structures of government must be aligned with the incoming front bench members' strengths and aspirations. Flowing from decisions about the portfolio structures is the question of the continuation or otherwise of contracts of the department heads the government inherits from its predecessors.²

Feminising the Cabinet



The Queensland Constitution Act which specifies the number of Ministers had been amended by the ALP in 2001 to allow up to 18 Ministers plus the Premier. During the election campaign, Palaszczuk appealed to populist sentiment by offering savings to taxpayers by reducing the size of the Cabinet from the LNP's 19 Ministers (plus supporting Assistant Ministers) to 14. In choosing the 14, she also needed to accommodate the outcome of internal factional ballots, and a commitment to the six who had served in shadow roles in opposition.

Palaszczuk's first Cabinet, with a woman Premier (herself), Deputy Premier (Jackie Trad) and majority representation of women in the Ministry, received nation-wide coverage at

¹ See Scott R., [Mobilising Dissidence](#), TJRyan Foundation, 2015.

² Bridgman P., [Shaping Government: A Guide to the Machinery of Government](#), TJRyan Foundation, 2015.

the beginning of the year. She also appointed the first Indigenous female parliamentarian, Leanne Enoch, Minister for Housing and Public Works and Minister for Science and Innovation.

Faced with the largely inexperienced team elected by the ALP caucus, she found it necessary to encumber some of the potentially high-value performers with multiple responsibilities. The Treasurer, Curtis Pitt, was loaded down not only with 'Aboriginal and Torres Strait Islander Partnerships' appropriate to his north Queensland electorate, but also the major portfolio of Employment and Industrial Relations; the Deputy Premier, Jackie Trad, became Minister for Transport, Infrastructure, Local Government and Planning and Minister for Trade; the Attorney General received the added diversity of Training and Skills (having served as Shadow Minister for Education); and the new Minister for Education took on additional responsibilities for Tourism, Major Events, Small Business and the Commonwealth Games.

At the time of these appointments, regular commentators like Paul Williams wrote in the *Courier-Mail* that the new government risked getting 'boxed in' by its small cabinet. There were the usual problems of meeting regional and factional expectations, but the much greater problem arose from the workload imposed on those perceived by Palaszczuk as the most able on her team. Much had to be learned on the job by Ministers new to their portfolio areas. Added to this was a strong collective commitment to consultation and the conduct of inquiries as part of the open process of government.

As Williams predicted at the time:

What sounds like fiscally prudent rhetoric will almost certainly make no public administration sense when we realise more work – and of an increasingly complex nature in economically challenging times – has to be done by fewer people.³

And so it came to pass. There were no new fiascos comparable to those in the Bligh Government when Cabinet was larger, but there were Ministers who floundered over policy areas when facing questioning from shadow Ministers with recent portfolio experience. Newer Ministers, and one or two of the old hands, sometimes lacked composure under questioning, especially if more than one department was involved in the same issue.

Towards the end of the year, the Premier was talking openly of having private interviews with each of her Ministers as a basis for performance evaluation. These were overshadowed by the discussions specific to the Police Minister. The Premier sent a clear signal that a reshuffle was intended and she did not discourage discussions about the political consequences of breaking her campaign promise regarding the overall size of Cabinet.

In early December, doubtless emboldened by the support from leader writers and commentators in local newspapers, she expanded and reshuffled her Cabinet, once the way was cleared by the decision of the Police Minister to resign from Cabinet rather than seek to move to another portfolio. The Premier made it clear that she alone would make the final decision on the membership of her new Cabinet, rather than accept the dictates of the three main factions. Factional leaders were obviously consulted and her final choice was subjected to close media scrutiny of the factional alignments of her Ministerial team.

Formal qualifications rated below other political considerations, including experience. This meant leaving a former Attorney-General and Minister for Industrial Relations in charge of Health, and a recently-elected MP and surgeon in charge of the highly

³ *Courier-Mail*, 17.2.15.

sensitive portfolio of State Development, Natural Resources and Mines. Media criticism was directed at the decision she did not take – she did not replace the Treasurer with someone regarded as more palatable to some sections of the business community. But the distribution of portfolios was seen as easing his burden and there was a similar reduction in the range of responsibilities for the Deputy Premier, Jackie Trad and for the Minister for Education, Kate Jones.

Appointing new department heads

At the beginning of the Palaszczuk government, Peter Bridgman wrote about machinery of government issues, commenting:

'like all incoming Premiers after a change of government, Anastacia Palaszczuk has built the machine of government to suit her political and administrative ends', and explained the intricacies of machinery of government decisions'.⁴

In *The Mandarin*, I reflected on the task ahead for the Premier in the appointment of Chief Executive Officers (CEOs):

As the process of CEO appointments got under way in Queensland, there was a wider political question of managing perceptions about the process in order to create relationships of strong mutual confidence. On the one hand, before the merit selection process was started, Premier Palaszczuk issued a challenge which the *Courier-Mail* headlined as: 'Back me or go – Premier to bureaucrats'. This was associated with four high-profile departures where CEOs had been regarded as over-enthusiastically embracing the policy preferences and general behavior of the previous government, making it difficult for new Ministers to create 'relationships of strong mutual confidence'.⁵

All departmental directors-general were required to reapply for their jobs after the change of government, and some had already resigned. The merit-based appointment process was necessarily slow, and the target of some criticism. By June the majority of department heads had been appointed, though 10 positions still had to be filled and the last two were not announced until March 2016.

Throughout the year, there was remarkably little public concern for leadership issues inside the public service. There was an unspectacular process of transition of former Newman appointees leaving from lower down in the hierarchies of departments. There were fluctuations in personnel arrangements as various committees of inquiry recommended new arrangements in policy areas: as discussed below, it was a bumper season for inquiries.

One area of criticism came from appointments to the various Boards and Commissions. Paul Williams noted (in an article the *Courier-Mail* tendentiously titled 'The State Government has put its self-interest ahead of the public's'), that Palaszczuk had made a good start with the Directors-General in contrast to the cronyism which bedevilled the Newman government from its earliest days. But, although these were publicly advertised, Williams believed that there were several contentiously partisan choices for some of the Boards and Commissions, singling out as a prime example John Battams, who was shortly to retire as President of the Queensland Council of Unions, being appointed a director on the board of the Queensland Investment Corporation and, apparently less controversially, former Brisbane Lord Mayor Jim Soorley being appointed to head CS Energy, and former Teachers' Union President Samantha Pidgeon appointed

⁴ Bridgman P, [The first Palaszczuk Government: ministers, portfolios and the machinery of government](#), Research Report No 23, TJRyan Foundation, 2015.

⁵ Scott R, [Appointing CEOs: Lessons from the past](#) TJRyan Foundation, 2015; Whittaker J, [Directors general on notice: Queensland's public service shake up](#), *The Mandarin*, 18.2.15.

a director of the board of Seqwater. Williams would have preferred the positions to be subjected to public advertisement and an open appointment process.⁶ However 'merit' appointments are never politically neutral and these choices, not unreasonably, gave the labour movement representation in major areas of economic and social governance.

Gender and bureaucracy

It is a measure of the extent to which the Premier has captured the gender issue, with her outspoken criticism of domestic violence and sympathy for its victims, that there was little media comment on the continuation of the gender balance in her reshuffled Cabinet at the end of the year.

The Premier announced plans to increase the number of women on state government boards, setting a target that would see 50 per cent of all board positions held by women by 2020, while encouraging private companies to address their own gender imbalances.

Shannon Fentiman, Minister for Women, was quoted by a *Brisbane Times* journalist as saying that 'Having a majority of women in Cabinet, led by a female Premier and six women Directors-General, up from one, and a dedicated Minister for Women sends a strong message to women that their skills and expertise are welcome and valued in the Palaszczuk Government.'

Amy Remeikis noted that the *Queensland Women* report, released by Fentiman at the end of the year, showed that women made up two-thirds (65.7%) of the State's public service but held just one third (33.1%) of Senior Executive Service roles.

However, at the next level down (AO7 and AO8 in public service jargon) women were in the majority (54.3% and 61.4% respectively) and presumably well-placed for future advancement.⁷



⁶ Williams P, 'The State Government has put its self-interest ahead of the public's', *Courier-Mail*, 30.12.15.

⁷ Remeikis A, '[Men dominate senior Queensland Government staff roles](#)', 10.11.15.

Males still dominated positions in the various ministerial offices, even though these positions remain in the gift of each Minister rather than subjected to centralised control. Four Ministers had no men in the senior executive grades, five others had no women. Men in senior roles also outnumbered women in senior roles in the Premier's own office. While four women held A07 or A08 posts, considered within the public service to be the pathway to senior leadership roles, they were outnumbered by the six men in comparable positions.

Ministerial staff positions are often rewards to aspiring politicians and foot-soldiers who have served in the electoral trenches when either party is in Opposition. They may also elevate people from lower in the bureaucracy who have demonstrated particular aptitude for the role. Any autonomy given to Ministers in their staffing appointments always raises potential accusations of patronage and even nepotism – examples of controversy can be found in the Newman years and on both sides in the national parliament, including issues over the appointment of spouses to electoral secretariat roles. The Goss government was possibly the best prepared for office. An authoritarian approach was facilitated by Kevin Rudd, first as Goss's chief of staff and then as head of the specially created Cabinet Office, ensuring a measure of merit selection was applied through the central selection of ministerial staff.

Given the unexpectedness of victory in 2015, it proved difficult to impose the centralist approach adopted then. It was not a complete surprise when complaints from aggrieved candidates for positions penetrated as far as the court system. A country MP was sued for damages and breach of contract when it was alleged that he had broken his promise to a campaign worker that a victory would mean that she could expect to move from a campaign manager role to an appointment in his ministerial office. She claimed she had then been overlooked in favour of two younger women, one with personal and the other with union affiliations with the member.⁸

Feeding the fat cats?

In the wider world of government agencies and departments, there was an initial sense of relief following the 2015 election. But those hoping for promotion were not always rewarded as merit selection processes could inject new blood at the expense of disappointed internal candidates. Empire building was constrained by the ever-present reminders from central agencies of the problems of debt and deficit – and the predictably unfavourable media reports of increased public servant numbers and/or increased salary bills with no recognition of the type of services they provided.

The Newman Government's enthusiasm for outsourcing was largely curbed. The Queensland Audit Office gave a lead, reminding enthusiasts for outsourcing that a lax approach can have 'a lasting detrimental impact' giving the specific instance of outsourcing court recording and transcription services, under the Newman Government, which had led to a decline in service quality. The Department of Justice and Attorney General, under Attorney General Jarrod Bleijie, was criticised for failing to do its homework on detailed service requirements, user needs and market analyses, limiting its ability to create a competitive bidding environment. This also meant the department 'was not clear about what specific services it was contracting out and the manner in which they were to be provided'. Using an outsourcing model which shifted some costs to the end-users had created inequities and inefficiencies, but had delivered only half the savings intended, despite the extensive redundancies among public service staff.⁹

⁸ 'When Labor Mates Fall Out', *Courier-Mail*, 27.2.15.

⁹ Queensland Audit Office, [Provision of court recording and transcription services Report 9](#): 2015–16.

Freed from the ideological pressures for outsourcing and privatisation, managers in the public service often moved back to recruiting their own specialists. This in turn generated criticism that expenses were rising out of all proportion to any improvements in the economy. Opposition leaders and newspapers could appeal to the widespread disdain for public servants as a class. The Auditor General also noted this increase in public sector employment in his wide-ranging reports and his detailed analysis tended to rebut the Premier's claim that nine out of ten new public servants were appointed to front-line posts in areas like health, education and transport.

The *Courier-Mail* was able to use such reports to sustain a persistent campaign of criticism of the public service throughout the year. It used publicly available figures to run headlines such as 'One in Five ALP Hires on \$130,000' (23.9.15), 'Very Fat Cats: State's Top Bureaucrats \$1million pay day' (1.10.15); 'Axed Heads Rolling In It' (1.10.15).

This media campaign ramped up in December when the *Courier-Mail* asserted that 'a string of public servant bad apples who had abused their powers were allowed to walk free'.¹⁰ The article focussed on a former Director-General of Education under the Bligh Government who pleaded guilty to nepotism and received a wholly-suspended six month sentence: 'Judge slams mum's arrogant nepotism'.¹¹ A week later, the lead story was headed 'That's a Steal: Crooked Public Servants Keep Jobs and Even Get Lessons on How Not to Thieve'. It required careful reading to establish that the whole list applied to Federal rather than State government employees, dealing with the LNP coalition government in Canberra.

However, there was undeniably valid local concern at the end of December when the *Courier-Mail* reported that the Deputy Director-General of Corporate Services in the Health Department and the eHealth Chief Executive had been stood down and were under investigation by the Crime and Corruption Commission (CCC) for nepotism in the appointment process.¹² Even before the CCC had reported, there were further allegations in another part of the Health Department. A senior executive in a regional office was stood down following allegations he had hired his niece and given her preferential treatment in the recruitment process. The Minister's response to this publicity was to remind the press that the incidents had occurred under the previous regime, prior to the implementation of an external review into the Department's human resource management practices.¹³

The crescendo of noise about the public service peaked when Curtis Pitt, Treasurer and Minister for Industrial Relations, revealed the terms of an industrial agreement signed with the Together Union representing a wide variety of public servants across a number of occupational categories and levels. Under the deal, they received a 2.5% annual pay rise, a better offer than the 2.2% they had rejected from the former Newman government, and they also received a bonus payment of \$1,300 in compensation for the delay caused by Newman's stalling tactics dating back to January 2013. Other unions were quick to join the queue for similar rewards, although some recognised that they would not be entitled to the same bonus payment after reaching more recent settlements.

The Sean Leahy cartoon below asked the same question as the business community and the Opposition about the State's capacity to pay within the constraints of a tight budget and a heavy burden of debt.

¹⁰ 'Meet Our Bureaucrooks', *Courier-Mail*, 22.12.15.

¹¹ *Courier-Mail*, 2.12.15.

¹² The Crime and Corruption Commission (CCC) was created by the Newman Government in March 2014. From 2002-14 it became the Crime and Misconduct Commission (CMC) following the amalgamation of the former Criminal Justice Commission (CJC) (established in 1989) and Queensland Crime Commission (QCC) (established in 1998).

¹³ *Courier-Mail*, 20.02.16.



Federal-State relations

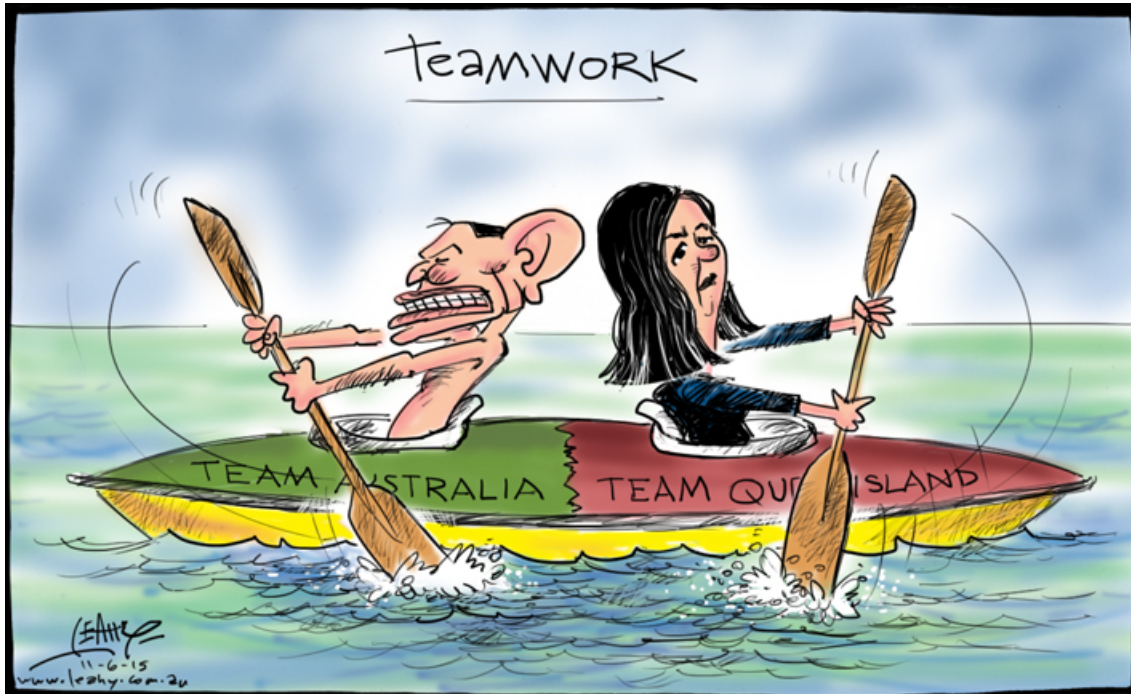
In Queensland, as in all other States and Territories, most government departments have links with the activities of the Federal Government. Ministers meet regularly for negotiations at Ministerial Councils. The agenda for these meetings can include harmonising legislation and implementing regulations between the two levels of government, but often includes the transfer of federal financial assistance in pursuit of national policy priorities. Above these Ministerial Councils is the peak body attended by Premiers and chaired by the Prime Minister. This body, the Council of Australian Governments (COAG), also embraces the financial functions previously undertaken by the Loan Council.

Four policy areas were prominent in Federal-State relations during 2015 – health, education, the environment and transport/infrastructure – as well as the overarching financial issues of taxation and debt. There is also a wider ideological dimension and issues of personality differences which shape the tone of federal discussions and the final choices made at the margins of specific issues. These often affect outcomes which might otherwise be shaped entirely by the tension between State-centered interest and partisan advantage. This can be described as ‘soft politics’, the product of inter-personal chemistry as much as hard economics.

Palaszczuk came to power as an unexpected addition to the ALP presence provided by the election of a Victorian ALP government a few months earlier. The popularity of the then Prime Minister, Tony Abbott, was already slumping in Queensland, and Newman’s election campaign had carefully kept Abbott out of the limelight.¹⁴

¹⁴ A cartoon by Sean Leahy (*Courier-Mail* 8.12.14) alluded to this, portraying Abbott receiving an invitation to appear in the campaign – not from his LNP colleagues but from Newman’s ALP opponents.

As Prime Minister, Abbott proved obdurate in his attitude to all ALP leaders and to those from Queensland in particular, even though the first Abbott-Hockey budget unexpectedly imposed significant financial constraints on all State governments by severely reducing federal funding on health services and universities. The Abbott Government also abandoned an election commitment to maintain a bipartisan approach to schools funding recommended by the Gonski committee in its report *Review of Funding for Schooling*, that had been submitted to the Federal Labor Government in December 2011.



In a decision specific to Queensland, Abbott hearkened back to the key platform of the Newman election campaign which advocated privatisation of 'under-performing' State-owned assets. Abbott refused to release the anticipated level of infrastructure funding until Queensland agreed to follow the lead of other States in this direction. This ignored the fact that the LNP itself had bowed to the electoral will and disowned the policy on which it had campaigned so hard. Abbott also refused to support any State's infrastructure plans which did not put a focus on road transport. This placed Palaszczuk in an uncomfortable position as a mendicant to Treasurer Hockey (a man forever identified as the cigar-smoking author of the heartless 2014 national budget which punished the poor and left the rich unscathed).

After Malcolm Turnbull became Prime Minister in mid-September 2015 there was a dramatic improvement in Federal-State relations. The change related partly to Turnbull's less confrontational style so the temperature dropped in meetings between all the Premiers and the new Prime Minister. It also reflected Turnbull's efforts to be attractive to the female voters who had been alienated by Abbott's unrestrained 'blokiess'. Turnbull treated Premier Palaszczuk, the only female Premier, with a graciousness which was received sympathetically.

Despite partisan issues and funding disputes in health and education, the Premier returned the compliment by commenting favourably on her treatment at her first COAG meeting, and she appeared with the Prime Minister at a number of public functions in Queensland.



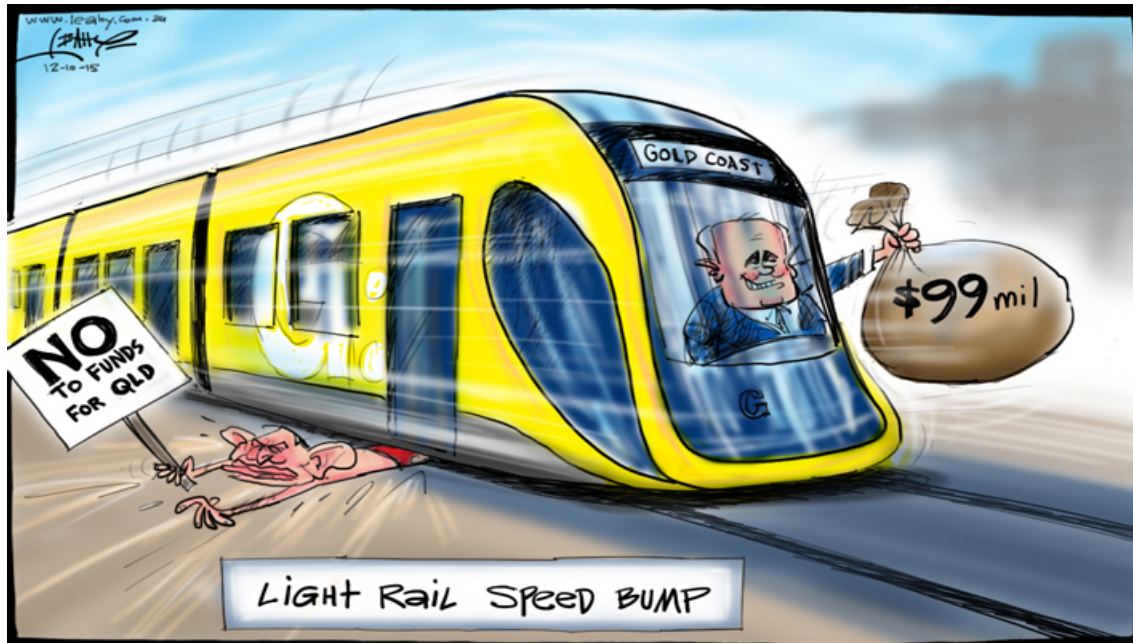
There was a change in substance as well as style. One of the better decisions of the Newman Government had been to appoint former Queensland Governor and then Governor-General, Dame Quentin Bryce, to chair a Taskforce 'to examine Queensland's domestic and family violence support systems and make recommendations to the Premier on how the system could be improved and future incidents of domestic violence could be prevented'.¹⁵

The report, *Not Now, Not Ever – Putting an End to Domestic and Family Violence in Queensland*, was presented to the Palaszczuk Government in March 2015, and endorsed by the ALP when in Opposition. Resources were allocated to support its implementation, including diverting police resources, improving training, increasing safe house options and changing employment law and access to leave for victims of domestic violence. All of these were in turn supported within the LNP when implementing legislation reached Parliament. At the national level, Prime Minister Turnbull responded positively to Palaszczuk's calls for federal funding in support of some of these initiatives and embraced the topic as one of his own high priorities for national action, and as a continuing COAG agenda item.

On the wider issue of capital works spending, Turnbull no longer made privatisation a requirement in order to access Federal funding for a range of infrastructure projects. He also supported more environmentally-sensitive policies. He increased the funding available for renewable energy projects and, as discussed below, collaborated more closely over Queensland's efforts to preserve the Great Barrier Reef. And he overturned Tony Abbott's edict against support for public transport initiatives rather than road projects. Reflecting his own widely-publicised preference for public transport, he offered support for light rail projects, including one related to the Queensland Government's own support for the Gold Coast City Council's light rail network.

¹⁵ [Special Taskforce on Domestic and Family Violence in Queensland website](#). [Dame Quentin Bryce hands down domestic violence report](#), *Brisbane Times*, 1.3.15.

By the end of the year, Prime Minister Turnbull had turned the debate back to the macro-financial issues of taxation and the longer-term problems of debts and deficits which had been so prominent under Abbott. He manoeuvred the media into conducting a discussion on the need for changes to the Goods and Services Tax (GST) without directly endorsing such a change, and used COAG to identify several State Premiers who would support such a change – including the South Australian Premier from the ALP. Palaszczuk's preferred position was that revenue should be generated by a surcharge on income tax as a less regressive option than the GST.



The Queensland Government followed the lead of the national ALP Opposition in seeking better ways to tax companies and affluent individuals who operated legal subterfuges to escape the taxation net. Turnbull's ultimate abandonment of the GST changes early in 2016 meant that the whole discussion on tax reform was reconfigured and the scale of the change modified. By the end of her year in office, Palaszczuk would have recognised that the unlikely honeymoon was over as Turnbull seemed captive to the extreme right-wing of his party in order to secure his hold within the party caucus.

But the issue of taxation, debt and budgets remained a major concern for the Palaszczuk government throughout its first year in office. Federal financial support was only ever going to be part of the solution.

2 Finding the funds: budgets and debt

Howard Guille

'Debt' and 'jobs' were the major economic issues of the 2015 election. 'Debt' is shorthand for how to manage the public finances including taxing and spending on recurrent and capital items; it is the subject of this chapter. 'Jobs' is shorthand for how to encourage growth and employment including the potential clashes about environmental damage; this is discussed in a separate chapter.

At the ALP's campaign launch on 20 January 2015, Annastacia Palaszczuk said job creation and training measures were key ALP policy and declared the election to be a vote passing judgement on privatisation and cost-cutting by the Newman Government.¹ While the LNP put job creation at the core of its pitch for re-election, its 2013 target of 420,000 jobs over two terms was not mentioned. Instead, the LNP concentrated on debt, more specifically 'debt reduction'.

The then Treasurer, Tim Nicholls, said:

The party's economic strategy centres on leasing assets and using that \$37 billion to pay down debt and invest in infrastructure. ... The reduction of debt obviously is a key priority.²

The LNP expected to raise \$37 billion by selling 99-year leases for public assets including ports, water pipelines and electricity networks and retailers. It argued, unconvincingly, that this was not 'privatisation'. \$25 billion of the proceeds would reduce state debt and \$12 billion spent on infrastructure. The term 'infrastructure', used by the ALP and LNP, is a quite recent addition to the political lexicon. In its straightforward meaning, it is synonymous with the older term of 'capital works' – things such as schools, roads, dams, hospitals and stadiums. However, the term, in its recent Australian usage, also conveys an economic rationalist approach to the 'reform' of planning and delivery of public projects, including shifting decisions to agencies that are autonomous from governments.³

Labor opposed privatisation (in which it included lease arrangements). Labor argued that keeping the assets in public ownership was a better economic proposition as Government Owned Corporations (GOCs) would generate \$2 billion profit per annum that could be used to repay debt and as general government revenue.⁴

Despite the clear difference on privatisation, the LNP and ALP had very similar views on tax – the LNP said it would not introduce any new taxes and would increase the payroll tax threshold.⁵ The ALP, via Curtis Pitt, said there would be 'no tax increases, including the mining tax, under a Labor government'.⁶ He also matched the LNP policy to have the state budget in surplus by 2015-16 and said 'Borrowing would be strictly managed for new infrastructure so it can be serviced within the surplus target'.⁷

¹ McCann J & Speldewinde S, '[2015 Queensland state election: an overview](#)', Parliamentary Library Research Publications, 17.9.15.

² [Queensland Election 2015: LNP and Labor's policies in 10 key areas](#), *Brisbane Times*, 30.1.15,

³ [Infrastructure Australia](#), established under the Federal ALP Government in 2008, is a prime case. It is 'an independent statutory body with a mandate to prioritise and advise on nationally significant infrastructure. IA provides advice and advocates for reforms on key issues including financing, delivering and operating infrastructure and how to better plan and utilise Australia's infrastructure networks.

⁴ *Brisbane Times*, 30.1.15.

⁵ [Queensland election 2015 - Newman promises payroll tax cut and moratorium on new taxes](#), ABC, 16.1.15.

⁶ [Queensland election 2015 - Labor pledges to pay down \\$12b debt and merge electricity networks](#), ABC, 16.1.15.

⁷ See above.

Although lost in the static of the election campaign, the parties had very similar positions on public finances. Both put reducing debt as a priority; both accepted a parsimonious approach to spending; both eschewed tax increases. In short, both were fiscally orthodox. Labor's opposition to privatisation did go against the prevailing rationalist orthodoxy but its justification was that keeping public assets was a more effective way of paying down debt. Labor did not advance any greater purpose for public ownership, and from this position the days of using public assets to promote development or to advance equality or even to control the commanding heights of the economy were long-gone.

Pitt also made an election commitment to ask Treasury to do a review of the State's finances and to publish this as part of the first State Budget. The 108-page *Review of State Finances* was published in July 2015.⁸ In an interview as Treasurer before his first budget, Pitt repeated the commitment to the Treasury review and also said:

Labor would not be increasing total debt, and would demonstrate fiscal discipline. ... We aren't looking to borrow. That's not what this government is about. We need healthy surpluses to fund capital projects.⁹

The 2015 Budget

Despite sharply reduced revenue growth especially from mining royalties and pay-roll tax, the Budget forecast a surplus of \$962 million for the 2014-15 year, \$1.2 billion for 2015-16 and \$2 billion in each of 2016-17 and 2017-18. Election commitments were delivered – notably increased jobs in education and health, the Working Queensland jobs plan, the Skilling Queenslanders for Work Initiative and the Advance Queensland innovation plan. However, the extra spending for election commitments was actually very modest – a total \$1.9 billion over four years offset by \$2.3 billion in savings.¹⁰

Pitt detailed his approach in the Budget speech:

This is the first Queensland Budget since 1999 -2000 to project a reduction in General Government debt across the forward estimates. Total borrowings are forecast to be lower over every year of the forward estimates, compared with those forecast by the previous Government.

After factoring in revenue write-downs and critically needed funding for health and education, General Government borrowings are still forecast to be more than \$3.7 billion lower in 2017-18, than they were in 2014 -15. This debt reduction is achieved without selling assets. It is achieved through a Debt Action Plan, prompted by the Review of State Finances.¹¹

The 'Debt Action Plan' was a surprise; it was projected to deliver \$9.6 billion in debt reduction by 2017 and reduce the debt to revenue ratio from 87% in 2014-15 to under 70% over four years.¹² The three parts of the plan closely followed Treasury advice in its *Review of the State's Finances*. The first was shifting \$4 billion of general government debt to the balance sheets of government-owned electricity corporations – termed 'regearing the energy network business'.¹³ The second was to fund public service long

⁸ [Queensland Treasury, 2015 Review of State Finances, July 2015.](#)

⁹ *Australian Financial Review*, 8.7.15.

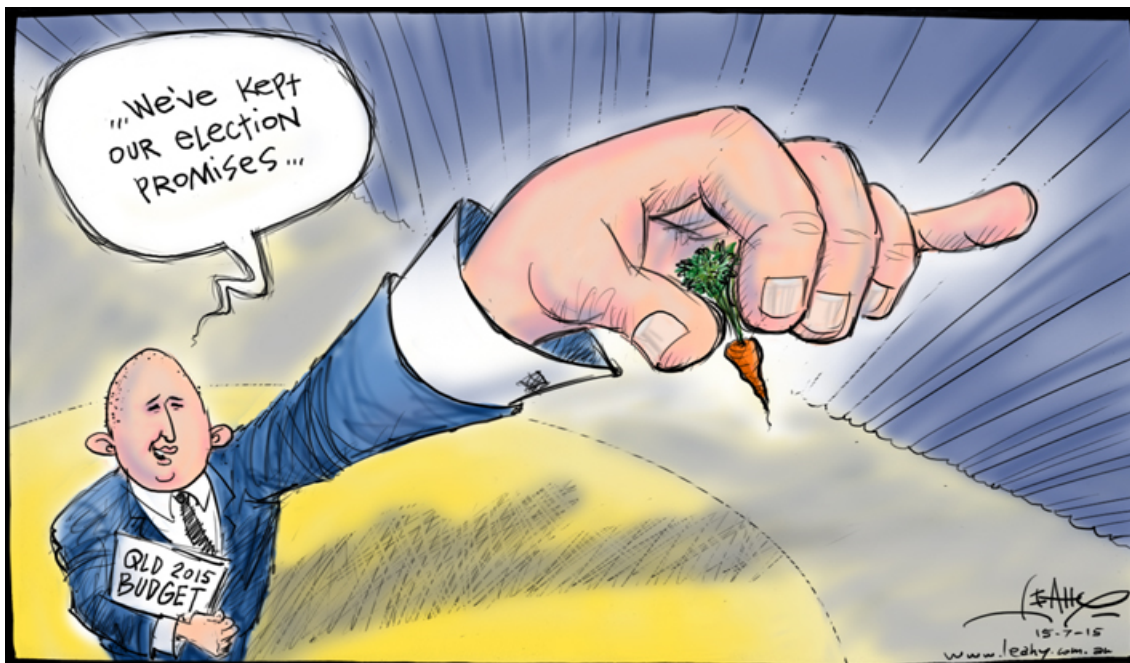
¹⁰ Queensland Budget 2015-16, [Budget Paper No.1, Budget Speech.](#)

¹¹ Queensland Budget 2015-16, [Budget Paper No.1, Budget Speech.](#)

¹² Queensland Budget 2015-16, [Budget Paper No.1, Budget Speech.](#)

¹³ General government as defined by the Australian Bureau of Statistics (ABS) comprises all government units and non-profit institutions controlled and mainly financed by the government. The principal function of general government entities is to provide non-market goods and services (e.g. roads, hospitals, libraries) primarily financed by taxes, to regulate and influence economic activity, to maintain law and order, and to redistribute income by means of transfer payments. (see [ABS, Government Finance Statistics, Australia, Cat 5512.0](#)). The activities of the Government-Owned Corporations (like ports, electricity, rail) are not part of 'general government'.

service leave entitlements on an 'as needed basis' rather than through a fixed allocation. The third was the suspension of government contributions to the public service defined benefits superannuation scheme. It was defined as a 'holiday' in the Budget. While the long service leave and superannuation contribution changes bring Queensland into line with all other states and the Commonwealth, they changed the arrangements followed by all Queensland governments since the 1980s.



Generally, the budget was well received. Michael Roche, Chief Executive of the Queensland Resources Council, said the budget was 'solid, innovative and responsible' and that 'the Treasurer has made smart use of the state's financial assets to deliver reduced budget debt and substantial savings in interest costs'.¹⁴ Paul Laxon from Ernst and Young said the debt total remained the same and that 'In itself I don't think it is an irresponsible measure. The businesses they are gearing up – Energex, Ergon and Powerlink – have the ability to sustain those levels of debt.'¹⁵ The Australian Industry Group Queensland Director, Jemina Dunn, was also complimentary about the budget, saying the Working Queensland initiative was 'attractive to business with a package of multiple initiatives focussed on skills, innovation and entrepreneurship'.¹⁶

Some independent economist commentators who wanted the highest priority to be a return to a AAA credit rating were critical. Gene Tunney wrote 'the Queensland Government opts for accounting tricks rather than true budget repair'¹⁷ and also said:

The debt shuffle is an illusion, a sleight of hand, and no substitute for true budget repair, which can only come from reducing the gap between revenues and expenditures, preferably by cutting expenditures.¹⁸

The first of these statements was re-published on the website of the Australian Institute for Progress which has a very strong commitment to 'free markets' and whose Board and

¹⁴ '[No frills budget: solid, innovative and responsible](#)', Statement by Michael Roche, Chief Executive, Queensland Resources Council, 14.7.15.

¹⁵ '[Queensland budget 2015: Bottom line unchanged, analyst says](#)' ABC, 15.7.15.

¹⁶ '[Post-budget insights – getting Queensland working](#)', AiGroup Blog, 30.7.15.

¹⁷ '[Qld Government opts for accounting tricks rather than true budget repair](#)', Australian Institute for Progress, 15.7.15.

¹⁸ Tunney G, '[Merger savings good if they occur, but debt shuffle dubious](#)', Queensland Economy Watch, 15.12.15.

staff include luminaries of the former Queensland Liberal Party, and Gary Johns, former ALP Federal Minister and now neo-liberal.¹⁹ Former National Party Senator Bill O'Chee said the budget was a 'Houdini trick'.²⁰

LNP Opposition Leader Lawrence Springborg also used a similar analogy in the Budget Reply speech:

This budget is built on raiding reserves. This budget is built on transferring debt to future generations of Queenslanders. The debt is still there — still waiting to be paid.²¹

These sentiments got little purchase outside LNP members except from unreconstructed market aficionados. Privatisation seemed to be off the political agenda in Queensland, at least in the medium term.

The politics of debt

If the following three conditions hold over the four years of the budget forecasts, the 2015 Budget has probably neutralised 'debt' as a live political issue:

1. That the Budget revenue forecasts hold and meet the planned expenditure. The overall level of activity in mining and the domestic economy plus the amount of royalties are critical. These are dependent on the Chinese economy, global coal and gas prices and the overall Australian economic situation, all of which the Queensland Government is unable to affect.
2. Whether the Government can keep recurrent and capital expenditure within budget. This is a management issue for the Government.
3. That the GOCs, especially in electricity, can make the economic efficiencies needed to meet higher borrowings and pay dividends without increasing prices.

Treasury seemed confident the merger of the electricity corporations would bring efficiencies with a saving of \$680 million over four years from merging Ergon and Energex.²² However, this is hostage to the quality of management and industrial relations of the corporations. It also requires them to maintain viability, more challenging in the context of the 'de-networking' coming from local supply schemes that combine renewables and storage.

While debt might be neutralised politically, fundamental questions remain about how the ALP, or any other moderately progressive party, organises and funds public services. An analysis of the last three to four decades of public economics in Queensland helps illuminate the questions. The starting point is the National Party Governments prior to 1989. Queensland was a low tax state with public services at levels well below other states. There was no state debt, public service superannuation was fully funded but wages and conditions were behind other mainland states. The Queensland population increased at accelerating rates due, in part, to the state government's aggressive policies to reduce property and inheritance taxes.

The scope and scale of public service provision began to increase under the Ahern government which succeeded Bjelke Petersen in 1987 and it did the unthinkable – raised

¹⁹ See [About the Australian Institute of Progress](#)

²⁰ O'Chee was also nicely acerbic about the over-use of 'world-class' by the Government. He said 'These range from Stradbroke Island as a world-class dive location to a world-class upgrade to the Broadbeach Bowls Club', ['Queensland govt is all about 'world class' but budget is in class of its own'](#), *Brisbane Times*, 16.12.15.

²¹ Budget Reply Speech, Queensland Parliament, Record of Proceedings (Hansard), 16.7.15, p.1434

²² [Queensland Treasury. Mid Year Fiscal and Economic Review 2015-16](#), pp.27-8.

taxes (on tobacco, and liquor licensing fees) to allow more expenditure on health services and school building. This was to meet the deficiencies created by the previous decades of population growth. The expansion of services and public building continued with some acceleration under the Goss ALP government elected in 1989. Revenue growth drawn from mining development and from the proceeds of further population growth funded the expansion. The Goss government was the period of 'The Trilogy' – fully funded superannuation and workers' compensation, borrowing only for assets which had an income stream and maintaining the State's low tax status. Yet, it was very much a case of using current growth to pay for the costs of the previous growth. Queensland remained a low tax and low debt state with services at higher levels than the 1980s but still below other states.

After 1998, the successive Beattie and Bligh ALP Governments further expanded the scope and scale of public services. One indication is that in the second part of the 2000's, total public capital expenditure in Queensland was higher than any other state. The expansion came from 'need' – especially public transport and roads, education and health – and from responses to specific failures, notably the Health Action Plan introduced after the debacle at Bundaberg Hospital in 2004-5. Separately, public service wages and conditions increased towards parity with other states.

Initially, the proceeds of economic and population growth via the housing booms and mining booms paid for the expansion though some increases in taxes and charges were made (for example the ambulance levy and motor vehicle registration). The Government started to borrow for public works other than those with a direct income stream and state debt began to increase. The single largest borrowings were \$7.4 billion for the construction of the South East Queensland Water Grid in 2006-07. Since then, the gap between revenue and increasing expenditure including debt servicing has been met in an ad hoc way including the Bligh Government privatisations, one-off increases in the share of the GST and delaying or deferring maintenance of assets, especially schools and ICT systems. The Newman Government followed a standard austerity recipe and cut services and jobs, out-sourced and planned extensive asset sales.

By 2015, general government per capita spending in Queensland was at the levels of New South Wales and Victoria. Wages and conditions for public servants were now about the same level as New South Wales and Victoria. This says much about the industrial competence of the teachers' and nurses' unions in making real improvements and, like university staff unions, getting and maintaining national standards. However, Queensland remains a low tax state – the tax effort is 85-90% of the average for all states and territories. Moreover, it is a low tax state with the highest general debt level of any of the states, albeit without the infrastructure backlogs of other places.²³

The 'wicked dilemma'

The management of State finances is subject to strong external pressures. Population growth is falling; mineral royalties are also falling, because of substantial reductions in commodity prices especially coal; LNG royalties are less than expected because of lower prices. Population and coal have supported revenue growth over the last four decades. The Goods and Services Tax (GST) is not turning out to be the 'growth tax' that the states expected and the Commonwealth is shifting responsibilities and costs to the states especially in health and some welfare areas. There are separate structural pressures on the costs of providing public services; this is most evident in the health workforce with an ageing population, treatments that are more complex, and a higher proportion of doctors

²³ Treasury puts the debt to revenue ratio for Queensland at 90% compared with 60% for Australia net of Queensland. (Treasury Review p.81).

in the system pushing up the average wage bill. The total costs of health are increasing in real terms at a rate faster than state economic growth.

These pressures make the combination of higher-level services and low taxes increasingly unsustainable. The sticky tape holding the system together has acutely deteriorated. While low tax revenues are a national problem, Queensland is perhaps the worst affected. There is considerable discussion about increasing the public revenue – whether through increasing the GST or, and more equitably, through removing the exemptions, concessions and rorts of capital gains tax, negative gearing and superannuation breaks. Clearly, a Queensland government of any political persuasion would be better able to cope if any of these were implemented by Canberra. Even so, Queensland would still be a place with relatively lower tax levels.

Herein lies the wicked dilemma: unilateral action to increase government revenues within Queensland would almost certainly gift the next election to the LNP. The ALP gave an electoral commitment not to introduce new taxes and, as a minority government, the ALP hardly has the 'electoral capital' even to raise the matter. In this context the ALP becomes even more reliant on getting revenue via economic 'growth' and containing costs through 'efficiencies'.

The Government will also become more susceptible to cost increases from demand for services especially in health, and to pressures for wage increases. There is an almost inexorable path to conflict as an ALP Government either cuts services, contracts-out, defers maintenance or gets into an industrial fight with one or more of nurses, teachers, emergency service workers and police and their unions. The timing of the 'crunch' – whether cutting services or an industrial fight – will largely depend on the trajectories of economic growth and inflation which are to an extent out of the Government's hands, although there are other budget management strategies, such as deferring expensive infrastructure projects, that it could adopt.

The situation in 2015 is made worse by claims that public health, education and welfare are becoming unaffordable. Impressionistically, 'unaffordability' is becoming commonplace in commentary about public services and the Institute of Public Affairs and the Centre for Independent Studies do not seem short of media space to press the argument.

The Queensland Government has one big advantage - it won an election advocating against privatisation of public assets. Anti-privatisation needs to become a positive argument of why public provision of health, education and other services makes more ethical, social and economic sense than private provision. Access and equality arguments are well rehearsed and there are two others. One is how to be more effective in providing services; the other is how to advance a positive productivity agenda that counters the narrow cost-cutting one of privatisation and various hybrids of contracting-out and Public-Private Partnerships. These are matters where an ALP Government might be able to establish a strong partnership with unions and community (NGO) organisations to enhance effectiveness and quality. In part, this looks back to the municipal arrangements of the first half of the twentieth century.²⁴

The Government could make some immediate, small moves towards a more deliberate dialogue with community organisations, environmental groups and unions by expanding the membership of some of the advisory bodies it has already established. *Building Queensland*, inaugurated as an independent statutory body in December 2015, is a good example. This 'provides the Queensland Government with independent, expert advice

²⁴ Something that is also occurring in Britain; see for instance Guinan J & Hanna T, 'Democracy and decentralisation are their watchwords For Corbyn and McDonnell, it's municipal socialism reinvented', [Open Democracy](#) 25.3.16.

on major infrastructure'.²⁵ It has very wide powers to evaluate and set priorities for some \$10 billion per year of government capital spending. It also advises on methods of funding and organisation including Public-Private Partnerships. Projects are to be assessed on criteria including economic, social and environmental sustainability, cost benefit analysis and community benefits.²⁶

Better evaluation and planning of capital spending is uncontroversial. However, the policy emphasis is on the market and the private sector. According to its website, 'Building Queensland is governed by an eight person Board, mostly from the private sector'.²⁷ There are no board members from unions, environmental or community organisations even though social, environmental and community benefit are part of the evaluation of projects.²⁸

Perhaps the Property Council of Australia inadvertently explained the rationale in its submission to the Parliamentary Committee reviewing the legislation. It said that:

'Building Queensland will provide an important first step in de-politicising the infrastructure planning process'.²⁹

That can be taken to mean letting the market decide which is, perhaps, impeccable logic for the Property Council. Yet it seems very flawed from a progressive government. Indeed, as three recent Australian books make crystal clear the *modus operandi* of any left of centre political formation must be to expand politics and diminish the space for free markets.³⁰

The Government held a Northern Queensland Economic Summit in Cairns in November. It was a big event with presentations from eight cabinet ministers. The Treasurer concluded his speech saying: 'You will not find a more dedicated and enthusiastic group than those led by the Premier Annastacia Palaszczuk when it comes to working with business'.³¹ Some poetic licence is justified given the context of the speech. Nonetheless, the statement indicates just how much faith the Queensland government is putting in the market/private sector, especially in seeking to reduce unemployment. This is discussed further in the chapter 'Jobs, Jobs, Jobs'.

²⁵ [Building Queensland](#), accessed 13.3.16. See also Edwards G, [Transport Infrastructure Planning has lost its way](#), TJRyan Foundation Research Report 43, May 2016..

²⁶ Clause 10 (2) *Building Queensland Act 2015*.

²⁷ [Building Queensland Board](#), accessed 13.3.16.

²⁸ It is worth noting that at the time of writing a similar analysis applies to the [Advance Queensland Expert Panel](#) (accessed 13.3.16) that comprises members from 'business and industry' and the research Deputy Vice-Chancellors (howsoever named) and Directors of Research Institutes. Again there is no membership from environmental groups, medical consumer groups or unions.

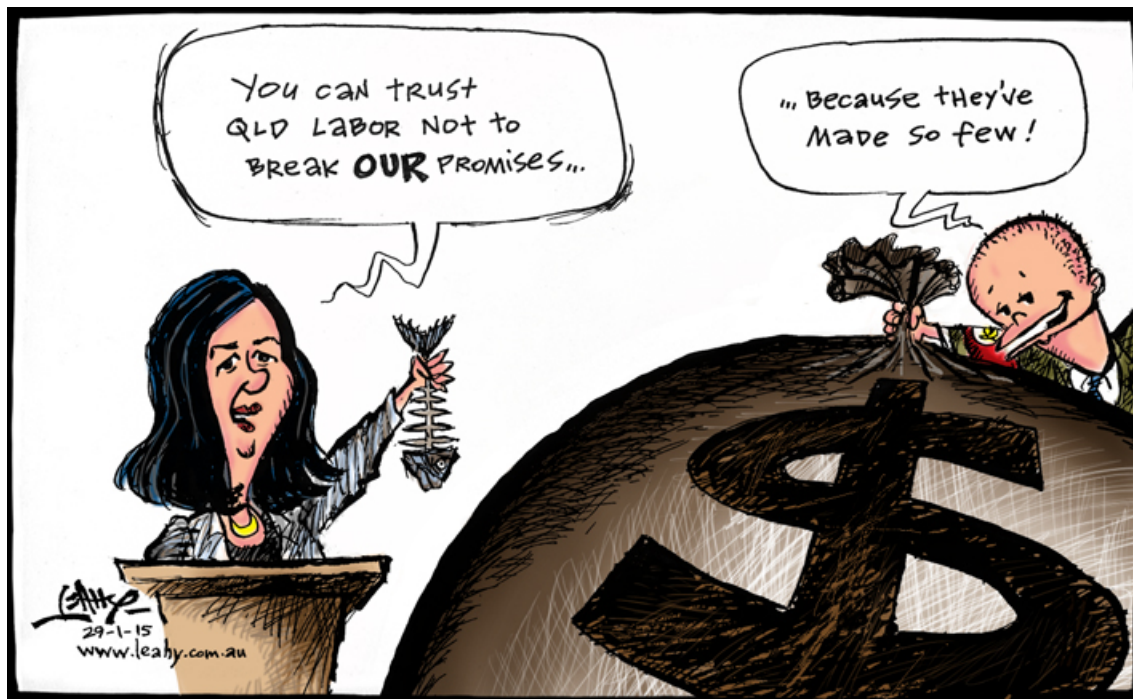
²⁹ Australian Property Council, 'Submission to Parliamentary Committee Inquiry: the Building Queensland Bill 2015', 24.6.15.

³⁰ Higgins W & Dow G, *Politics against pessimism: social-democratic possibilities since Ernst Wigforss* (Bern: Peter Lang AG, 2013); Scott A, *Northern Lights: The Positive Policy Example of Sweden, Finland, Denmark and Norway*, Monash University Press, 2014; Glover D, *An Economy is Not a Society; winners and losers in the new Australia*, Penguin Australia, 29.7.15.

³¹ Northern Queensland Economic Summit, Cairns, November 2015.

3 Implementation: electoral manifesto of small targets

Roger Scott



A review by the TJRyan Foundation of the election campaign suggested that the ALP offered few targets to be fired upon with government-supplied ammunition.¹ The biggest single item being contested was the LNP's proposal to sell off a range of high-value public assets. Even this was modified before the campaign had begun when the LNP started to use the softer language of 'leasing', a less complete surrender of the public stake. But the idea of giving up control of public assets was still crucial in some constituencies and the whole idea was hastily disowned by the LNP after the election.

However the ALP had projected the idea of its root-and-branch opposition to any form of asset sales. This meant it was inhibited about selling off smaller and lower-value assets, such as surplus public land, under-used resorts or small schools, the normal currency of day-to-day government resource management. The party also needed to make clear to the sceptical business community that it was in favour of a range of private sector projects such as casinos and cruise-ship docks, despite criticism from elements often within the ALP itself about the environmental impact of some major projects.

The ALP's election manifesto did offer a range of specific commitments, some very locally focussed to meet the needs of candidates in those areas (such as Townsville's sporting stadium, and a second inquiry into the 2011 Grantham flood) and many aimed at reversing the more egregious decisions of the Newman government. Frequently the mechanisms promised were committees of inquiry, timed to report anything up to a year ahead, a delay needed to compensate for the ALP's lack of access to public service research resources while in Opposition. These were frequently criticised by the LNP as providing excuses for inactivity.

¹ [Queensland 2014: Political Battleground](#), TJRyan Foundation Research Report 14, January 2015.

Other changes could be implemented more rapidly, especially symbolic promises like restoring the Labour Day holiday to its traditional May setting (Newman had shifted it to October), providing workplace access rights for trade unions and eliminating constraints imposed on various hard-won industrial rights such as workers' compensation.

The Government also acted quickly to meet deep concerns among Aboriginal and Torres Strait Islander people about inadequacies in Beattie/Bligh Government policy towards stolen wages. These concerns were strongly supported by the Queensland Council of Unions. The Government allocated \$21 million over three years in the 2015 Budget and appointed social justice commissioner, Mick Gooda to head a taskforce of Indigenous leaders to oversee the scheme.² The first payments of improved reparations were made in early 2016.³

Government by 67 varieties of inquiry

Close observers of the process of implementation of public policy sometimes distinguish between decision styles based on rational planning and those based on incrementalism, a more adaptive 'learning-by-doing' approach with or without a firm set of immutable goals. It is more realistic to visualise state-level politics operating in the context of a wider governance system, creating a tendency towards equilibrium. There would be small incremental changes most of the time, punctuated by sudden bursts of energy in response to perceived or confected crises. The Newman regime would rate as adopting this more energetic style, 'puncturing the equilibrium'.⁴

By contrast, one of the characteristics of the first Palaszczuk ministry was its proclivity for appointing inquiries and acting incrementally rather than pressing on to quick decisions. This could be viewed positively – as a commitment to evidence-based research rather than rushing to judgment. It could also be represented negatively – as a delaying tactic to avoid making hard decisions which were certain to offend one or other side. Not surprisingly the media tended to the latter position, given their thirst for hard news and firm outcomes.

In the *Brisbane Times*, Amy Remeikis' report on the first parliamentary sitting in March identified an impressive list of specific items for action: restoring the electoral donations threshold; strengthening the autonomy of the Speaker; honouring specific commitments to reduce the impact of anti-bikie legislation on employment; restoring incentives for expanding apprenticeships; helping the Mount Isa smelters; and restricting water-meter reading tasks to licensed plumbers.

At the end of the parliamentary year, Remeikis suggested that not a lot had happened in the interim – there was a great deal of process but not much in the way of outcomes:

If in doubt – review it! With the announcement of the Uber review on Wednesday, (December 10) Labor has committed to 68 reviews, task-forces and advisory boards in the 10 months since it was elected, almost as many as the LNP instigated during its entire term in government.⁵

The Opposition has long accused the government of shielding itself behind reviews to buy time when it doesn't know how to act. 'This goes to show that Annastacia Palaszczuk's government is just making it up as it goes along,' Deputy Opposition

² 'Mick Gooda to head Queensland taskforce to pay stolen Aboriginal wages', *The Guardian Australia*, 18.8.15.

³ [Queensland Government Media Release - \\$1million in Stolen Wages repayments handed back to Indigenous Queenslanders](#), Queensland Council of Social Services, March 2016.

⁴ Forester J, *Planning in the Face of Power*, University of California Press, Berkeley, 1989; McConnell A, *Understanding Policy Success*, Palgrave, 2010; Bovens M & Hart P, *Understanding Political Fiascos*, Transaction Publishers, Brunswick, New Jersey, 1996; Tuohy C H, *Accidental Logics: Health Care Arena*, Oxford University Press, 1999.

⁵ The article was later amended to identify 67 inquiries as there was one instance of double counting.

Leader John-Paul Langbroek said. 'Many of these reviews are completely unnecessary, some are even duplicating existing or recently completed ones.'

But the government, which was elected on a platform to be more consultative, said it had learnt the lessons of the previous administration and was determined to take Queenslanders along with it. 'The Premier promised to lead a government of consultation and that is exactly what is being delivered,' a government spokesman said. 'In stark contrast, the LNP also conducted up to 76 reviews over its term in government but also saw fit to pick fights and ride roughshod over Queenslanders.'

The reviews - some of which, such as the greyhound industry inquiry and the review into the Lady Cilento Hospital - have been completed, range from reviewing smoke alarm laws to reviewing the Child Protection Act. If it was a controversial law instigated by the former government, it's under review. If it's to be built, planned, thought about, sold or considered, it's under review.⁶

Reviews promised by Labor in 2015

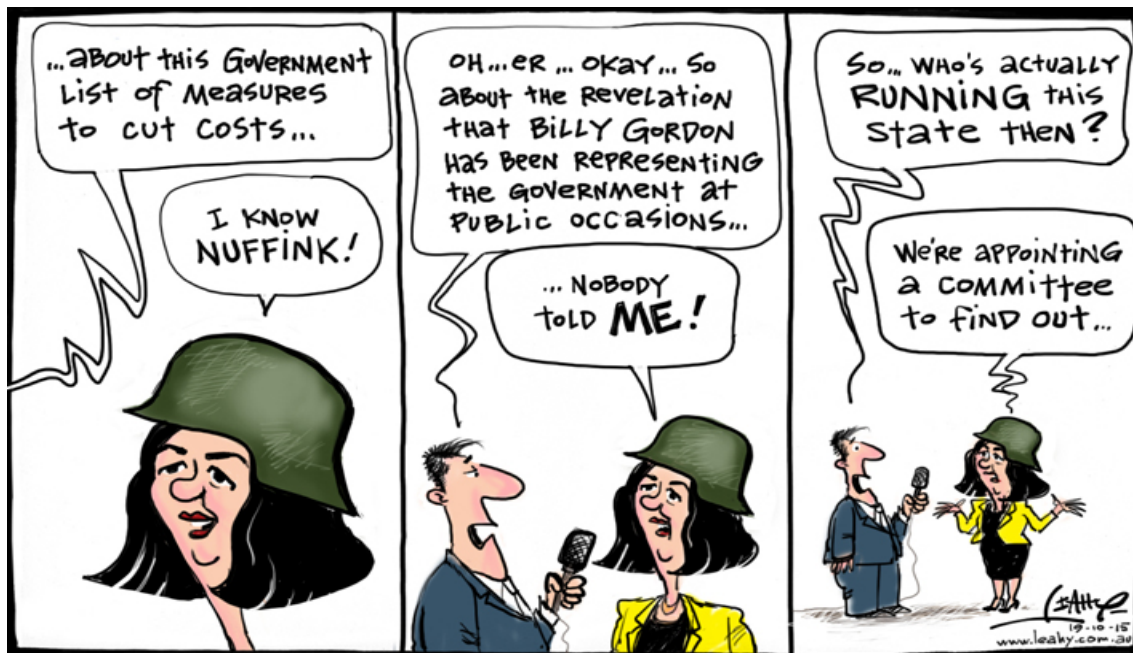
- Review into boot camps and youth justice
- Review into Queensland greyhound industry
- Review into Queensland's bio security capabilities
- Review into 'fair price' for solar power
- Review into administration staff allocation in schools
- Review into what is needed for research and development blueprint for agriculture
- Review into VLAD laws
- Commission of Inquiry into the closure of the Barrett Centre
- Commission of Inquiry into organised crime – separate from the Review into Organised Crime Act
- Establish the Queensland Productivity Commission
- Establish an electrical safety commissioner
- Establish the Advance Queensland panel
- Inquiry into four-year Parliamentary terms
- Inquiry into political donations
- Establish the red tape reduction panel
- Set up the animal advisory board
- Establish the rural jobs agency
- Set up a regulatory body for the plumbing industry
- Set up a Multicultural Queensland Advisory Council
- Establish a Sentencing Advisory Council
- Establish an electrical education committee
- Set up an electrical equipment committee
- Set up Queensland Electrical Safety Office
- Establish Building Queensland
- Establish Jobs Queensland
- Set up the Great Barrier Reef Taskforce
- Establish the taskforce to advise government on the residential transition for older Queenslanders
- Review the Queensland Plan
- ALP Review into pre-selection process (party)
- Review the commissioning of Lady Cilento hospital
- Review into health targets
- Set up a community health funding program
- Review into TransLink fare structures, patronage and affordability
- Establish a taskforce to identify areas that may be at higher risk of natural disasters
- Set up an Industrial Relations Reference Group
- Review into electricity deregulation
- Review into the Get in the Game initiative

⁶ Remeikis A, '[Queensland Labor chalks up 69 review in ten months](#)', *Brisbane Times*, 07.10.15.

- Review into what role, if any, Moreton Bay Rail Link project contributed to flooding
- Commission of Inquiry into the flooding of the Lockyer Creek between Helidon & Grantham
- Speed review for Yandina Coolum Road
- Great Barrier Reef Water Science Taskforce on reef quality targets
- Mental health cases review
- Independent Review into Wivenhoe Dam's warning systems
- Citizen's Taskforce into Road Safety
- Planning Act review 'Better Planning for Queensland' discussion paper
- Review of laws on smoke alarms announced Jo-Ann Miller
- Review of Townsville and Cairns crocodile management plans
- Review plastic bags and possible container deposit scheme – Miles
- Review of lobbyists rules by Peter Coaldrake announced Premier
- Review of Southbank cultural multi building plans
- Review into plans to dredge a Gold Coast channel
- Review approval process New Acland mine and community impact
- Review of changes to Building and Construction Industry Payments Act
- Review into Justice of the Peace trial in QCAT
- Review Southern Moreton Bay Islands passenger service as part of TransLink network
- Review Cedar Woods development ordered Planning minister
- Review by Deloitte into child sex abuse reporting failure
- Review into Public Sector Business Agency after bungling police dog calendar mistake
- Review to examine Gold Coast police culture
- Review age of consent laws
- Review into Queensland Bill of Rights
- Review of the Child Protection Act 1999
- Gold Coast Action Plan: an immediate review into current and recent complaints involving use of force allegations on the Gold Coast and statewide, to run at the same time as review into Gold Coast police culture
- Review handling and outcome of the complaints secret photos taken of State Library female staff
- Review of the Criminal Organisation Act 2009 – morphed into the Taskforce into the Organised Crime Legislation
- Ravenshoe Cafe blast review
- Review into state's taxi industry and Uber.

Close analysis of the list above suggests some areas are more prone to investigation than others. Nine relate to aspects of the building industry, about the same number to the much higher profile issues of crime and law and order (10) and natural disasters (8). Among the biggest departments, only five relate to Health, four relate to Transport and one each to Education and Mining.

Commentators suggested that the vested interests within these large departments were well established, the areas of disagreement were clearly articulated and the incoming government could act quickly to make good any electoral commitments. In other areas, there was a need to establish a base-line of information before taking sides in any argument.



One example of the benefits and costs of its review-oriented caution was the decision to hold a second inquiry into the 2011 Grantham flood disaster. Grantham, which experienced significant loss of life as well as extensive property damage during the widespread flooding across the State, had been considered in an earlier, more general, inquiry instigated by the LNP into the devastating floods that took place in January 2011 when the Bligh Government was in office. Grantham residents suspected that this inquiry had been misled because it did not make time to interview locals who believed they knew more about what had caused the particularly acute problem in Grantham. The Speaker, Clive Palmer and Senator Glenn Lazarus all entered the fray seeking more answers. Accordingly the Palaszczuk government announced that it had been advised by a consultant to appoint a second inquiry. This was established in May 2015, chaired by Walter Sofronoff QC, a former Solicitor General who had resigned after a public falling out with LNP Attorney General Bleijie.

The point of particular concern was whether any natural or man-made features of the landscape (in particular a local quarry) caused or contributed to the flood which killed 12 people and destroyed more than 50 homes. Sofronoff dismissed the quarry's role in the event:

There were only two relevant man-made structures. One was the quarry pit and the associated embankment and the second [was] the railway embankment that has been there for about 100 years'.⁷

The LNP criticised the waste of public money in this exercise and the *Courier-Mail* railed against meddling outsiders, but eventually argued that:

The \$2.5 million cost was probably money well spent because it has given some answers to the people of Grantham, even though their emotions were stirred by wild claims and unsubstantiated allegations.⁸

The general problem for the government was that even positive inquiry outcomes reinforced a feeling of unease about its caution and unwillingness to act decisively in response to advice from their own public servants. This perhaps explains why the major departments of Health, Education and Transport had fewer reviews while there were

⁷ 'Grantham floods inquiry: Quarry played 'insignificant' role in disaster, commission rules', ABC, 8.10.15.

⁸ *Courier-Mail*, 9.10.15.

more in the new powerhouse of the Department of the Environment. It also explains why industrial relations concerns involving plumbers and electricians tended to be pushed off for committee consideration to avoid confrontation with militant industrial interests.

A study in contrasts: Health and Education

Health remains the greatest policy challenge facing any State government, of any political persuasion anywhere in Australia. The Health portfolio is often perceived as a poisoned chalice, handed by Premiers to one of their most able lieutenants and thus potentially their most serious leadership contender. Health is a Ministry with the highest stakes and the hardest problems, the location of many 'wicked policy problems' much discussed by policy theorists.

Some of this never-ending 'wickedness' flows from rising expectations, improving and expensive technology and national decisions about the funding of hospitals and pharmaceutical benefits. All this occurred in a policy environment where demand and costs from an ageing population were always expanding. Private providers had entrenched their position as rent-seekers protected by these community expectations and public trust in the levels of professionalism of health services providers, especially doctors. The length of time it takes to design and build major capital works, such as public hospitals, means that any government is likely to be beholden to the decisions of its predecessors. This might mean claiming undeserved plaudits at hospital openings; it also might mean coping with the consequences of previous governments' errors and miscalculations. In addition the Newman government had made huge staff cuts to the Health Department in 2012, as well as appointing, controversially, hospital boards to manage individual hospitals and importing managers from the already failing British National Health System who were unfamiliar with Queensland conditions. As a consequence, the Newman years 2012-2015 had been a period of unprecedented unrest within the Queensland health sector.⁹

The Children's Hospital was a long-term incubus for Cameron Dick, Palaszczuk's Health Minister. The establishment of the new hospital was announced as an election commitment in August 2006 by the Labor Government with a proposed capital budget of \$700 million, to be completed by late 2014. The final budget for the project was \$1.5 billion. The hospital opened for patients and families on 29th November 2014. But its construction was hampered by a range of problems during the Newman years, and it was rushed to open too soon, before the 2015 election, in time for the LNP to claim the political kudos of a project delivered on time.

The teething problems of the new Lady Cilento Children's Hospital generated considerable community and media criticism. The damning findings of an inquiry, released in March 2015, forced the resignation of the Chair of the Hospital Board and forced the Minister to convene an inquiry into the problems, headed by a former Head of the Public Service Board. Minister Dick's consultative approach, in particular with the AMA and the Australian Salaried Medical Officers' Federation, seemed to have appeased most concerns and the inquiry report recommendations served to head off further confrontation with the hospital medical staff.

⁹ Shields L, '[Health Care in a Newman Queensland](#)' TJRyan Foundation, 2014 and Shields K & Shields L, '[Review of Health Policies in Queensland for the TJRyan Foundation and Together Union](#)' TJRyan Foundation and the Together Union, 2015.



There were additional, more specific, complaints about local problems and operational inefficiencies in the Health service, including ambulance services and industrial issues covering the whole gamut of health professionals. Doctors had been at loggerheads with the Newman Government. Dick was able to assuage their concerns with an improved employment agreement which preserved the privileges that had been removed by Springborg when Health Minister under Newman.

There were also the consequences of a massively costly misjudgment by the Beattie and Bligh Government over the introduction a computerised hospital and health services payroll system. This was compounded by an indefensible lapse in financial accountability which permitted a rogue employee to redirect Health Department funds into his own account. This went undetected while he enjoyed a lavish life-style. Both these legacies from an earlier ALP government became a whip for the Opposition with which to lash the newly-incumbent Minister whenever any shortcomings of the LNP administration came under fire.

Outside the hospital service, the Palaszczuk Government had a mixed record in public health. There was growing commitment to implementing Commonwealth-initiated changes in disability services and mental health services. The Government inherited the effects of Newman's cuts to prevention programs, especially managing the level of infectious diseases: notably the worst outbreak of syphilis among indigenous communities in thirty years.¹⁰ The Government did not reinstate a dental health preventive policy – to mandate fluoridation of all local water supplies, a measure introduced by the Bligh Government then overturned by Newman, resulting in some local authorities declining to participate.

The closure early in 2014 by the LNP Government of the Barrett Centre, an adolescent mental health facility, without providing an alternative was also a health problem the Palaszczuk Government inherited. In 2012, the LNP had scrapped a plan to build a new facility at Redlands and then went on to close the Barrett Centre. Within eight months,

¹⁰ 'Only four years ago the Medical Journal of Australia predicted syphilis – which causes lesions in the brain and blindness - would be eradicated in remote Queensland with screening and basic penicillin shots.' see Moore T, '[Queensland's worst outbreak of syphilis in 30 years rampant in State's north](#)', *Brisbane Times*, 12.11.15.

three former patients had died. The Palaszczuk Government established an inquiry into the closure. The inquiry had not concluded by May 2016 though damaging evidence has been reported in the media, in particular an admission by the former Health Minister, Springborg, that he did not read an expert report which warned against scrapping the centre.¹¹

The Government also made it a matter of discretion on the part of childcare centres as to whether they would admit children not vaccinated against a range of common childhood diseases. Complementary legislation at national and state level removed access to subsidies and some welfare payments for 'non-vaxers' but vaccination (like fluoride for local Councils) remained a matter of choice. Centres given the legal power to reject unvaccinated children largely chose not to use this power in order to maximize their customer base.¹²

The biggest problem facing the Department of Health, in common with all States and Territories, was the escalating demand for medical services in an ageing population, demands which could only be met by increases in revenue from the Commonwealth budget. The Abbott government had imposed fierce cuts in its first budget and there was further trimming back of specific schemes, so that the hospital system and public health both experienced financial stress. The only remedies available – ways of increasing revenues – were controlled by the central government, and 2015 ended with a stand-off between the Queensland Premier advocating an increase in the Medicare levy (effectively an increase in income tax) and the Prime Minister and several other Premiers from both parties favouring other tax options including increasing and adjusting the range of the Goods and Services Tax.

But the issue of additional health spending by the Commonwealth faded with the Turnbull government's vacillation over taxation reform options as discussed earlier. Despite the Prime Minister's original rhetoric and kite-flying about major changes like an increased GST, changing negative gearing or reduction in capital gains discount, the language shifted to much smaller changes, all to be directed towards the electoral purpose of reducing other forms of taxation or towards debt reduction rather than funding health and education costs. State governments of both political persuasions were left bemused: the original health cuts in the earlier Hockey budget which had triggered the first round of discussions remained un-passed by the Senate but still embedded in forward estimates. After a year in office, the Health Minister knew he had a long-term funding problem but no certainty about the policy parameters within which he needed to act to solve it.

Compared to Health, the Education Minister and her bureaucrats had a quieter life in 2015. Kate Jones already had ministerial experience.¹³ Elevating her to a major department was an obvious choice to reinforce the gains made in the Ashgrove campaign against Campbell Newman. For state public servants in the Education Department, there was a much greater demand and cost pressure being felt at the lowest end of the age spectrum. Here the Education Department had an essentially regulatory role in relation to service providers in the private sector. Pre-school children with two working parents required access to childcare services offered by community-based voluntary organisations or private providers operating on a fee-for-service basis. State governments were primarily concerned about quality assurance over staffing credentials as well as the physical facilities and each escalation increased costs; there were also

¹¹ [Barrett Centre closure a sign of problems plaguing mental health reform](#), ABC, 2.2.16.

¹² Branco J, '[Queensland 'No jab, no play' childcare laws short on impact](#)' *Brisbane Times* 21.2.16.

¹³ Former Minister for Environment, Resource Management and Climate Change in the Bligh Government. Jones had resigned as Minister in November 2011 to fight, unsuccessfully, for her seat of Ashgrove in the 2012 election against the newly picked leader of the LNP, Campbell Newman. The intense interest in the 2015 contest against Newman projected her into the public consciousness, with a low-key campaign marking a contrast with Newman's strident style.

selective schemes for disadvantaged social groups and national taxation concessions aimed at increasing access for the less well-off. The Commonwealth's search for savings had an impact on childcare, reducing access to taxpayer-funded subsidies while raising costs for providers.

Queensland, in common with its State and Territory counterparts, was affected by the Abbott Government's dramatic dumping of its election commitment to implement the Gonski proposals to reduce social inequality by re-directing federal funds to the most needy schools. Initially, Malcolm Turnbull gave the impression that this was one of Abbott's broken promises which needed reconsideration but eventually he quietly stepped back into line with his predecessor. Apart from teachers' unions, there was little sustained outcry directed at State Education Ministers as the Gonski decision was sheeted home to the Commonwealth. The elite private school sector had most to fear from Gonski and historically was well placed to maintain access to federal funds. Poor Catholic schools would also have benefitted, but their voice went unheard outside their own system. Within the State system, Gonski's focus on needs-based education funding was quietly being adopted with bi-partisan support.

Apart from the Gonski issue and salary disputation, particularly in the non-government sector, there were relatively low-key disputes over school closures, flexibility in school zones and curriculum priorities. The massive changes initiated by Bligh and implemented by Newman, to move children a year earlier from primary to secondary school, and the LNP's decision to introduce an external examination component in university entrance selection (advocated by an ACER review of Queensland's senior assessment and tertiary entrance processes¹⁴) went unchallenged. The previous LNP Education Minister, John-Paul Langbroek, had proved adept at reducing the heat in the system generated by these changes: the first was irreversible, and there were few points of ideological disagreement apart from competition for resources. Tim Mander, appointed as Shadow Minister for Education, had featured prominently in the post-Newman leadership ballot, running a close second to Springborg, but his name rarely surfaced in discussions on education policy.

The only significant time when Minister Jones was under pressure was in the inconsistent response to revelations about computer hacking of Education Department files. Over a few days, assessments of the significance of the data involved varied between Jones and the Attorney General. When Jones indicated that she was referring the matter to the Crime and Misconduct Commission, she was predictably accused of seeking a cover-up when all she wanted was to avoid answering further questions. Steven Wardill of the *Courier-Mail* suggested that her manoeuvre 'smacks of an over-reaction to an uncomfortable political predicament. It's stuff-ups like this which will just fuel claims of a cover-up'.¹⁵

Among the policy continuities, the Department maintained a commitment to trying to achieve near-universal attainment of the Queensland Certificate of Education for Year 12 students, particularly for Indigenous students where there is a particularly poor retention rate. NAPLAN, the system-wide testing of students at different year levels, continued as a focus of media attention and competitive advertising by schools and school systems. The main debate was about issues of year 12 assessment requirements and the proposed changes to university entrance requirements.

¹⁴ [Senior Assessment and Tertiary Entrance Processes](#), Australian Council for Educational Research, March 2014.

¹⁵ *Courier-Mail*, 13.11.15.

Universities and university entrance remained a major focus of public concern. One of the hottest national education issues was the attempt by the Abbott government to use budgetary constraints to force universities down the path of fee deregulation and make them more competitive against each other. But the university sector had long since become a policy monopoly of the national government and the States were largely spectators in the struggles over funding cuts at the national level. Through its representation on university governing bodies, the Department was able to monitor campus reorganisations in which regional institutions widened their range and extended their geographical presence, and the largest Brisbane institution abandoned its presence in Ipswich. There was also progress towards a national approach to measuring student tertiary entrance qualifications. But during 2015 there was growing criticism that deregulation would tend to widen the resource differential between institutions and reinforce elitism and inequality.¹⁶

A running sore: vocational education and TAFE

Howard Guille¹⁷

Universities might have been beyond the reach of State departments, but vocational education and training, including TAFE colleges were not, and previous agreements about the virtues of contestability by both State and Federal governments created massive problems. Private providers were taking an increasing share of the government funding of certificate level training in Queensland; and the Newman Government had started giving private providers use of TAFE facilities. While these changes were claimed to be within the overall rubric of national 'reform' of Vocational Education and Training (VET), these two issues were virtually specific to Queensland. It was reasonable to expect the ALP Government would take action; indeed, the ALP had made an election commitment to rescue TAFE.

The LNP Government used the slogan 'Great skills. Real opportunities.' as its 'plan to give Queensland's world class economy a first class training system'. 'Greater student choice, more contestability and training investment guided by industry advice' were its chosen route to this end. TAFE was to be 'a more competitive, responsive, innovative and flexible training provider'. The LNP Government declared 'TAFE is open for business'.

The LNP wanted a free market for VET with all VET funding 'contestable' – put up for competition between private providers and TAFE. The aim was for Queensland to have 'the nation's most open training market'. TAFE facilities were hived-off to the Queensland Training Assets Management Agency and 38 TAFE sites identified for private use as part of competitive neutrality and market arrangements. The neo-liberal economic logic extended to charging TAFE courses full commercial rents for use of space in TAFE buildings. On top of this, 'a radical overhaul of industrial arrangements' would give flexibility and more hours of teaching per teacher.

The LNP Treasurer, Tim Nicholls, was reported in 2013 saying that 'TAFE privatisation is a top priority amid the Queensland Government's "contestability" reforms'. The plan was partly about training and partly driven by the overall agenda of the Commission of Audit. The Government withdrew from control of the VET system and established the Queensland Skills Commission to take over the functions of the Education Department to decide priorities and direct public training expenditure. The Commission was an

¹⁶ Parker S, '[Inequality and Higher Education: a class act](#)', TJRyan Foundation, February 2016.

¹⁷ This section on VET and TAFE was written by Howard Guille.

autonomous corporation with a business board. The LNP said they took the advice of the experts.

On coming to power, the Premier made Attorney-General, Yvette D'Ath Minister for Training and Skills in the new Cabinet. The Government legislated to abolish the Queensland Training Assets Management Agency and restore the management of TAFE facilities to Departmental responsibility. The 2015 Budget provided \$34.5 million over four years to restore TAFE Queensland as the premier provider of VET in Queensland. The money provided for extra staff, increasing foundation courses and widening the range of courses available. The Government's 2015-16 VET Investment Plan includes a 'VET purchaser's grant' to assist TAFE to be cost competitive and meet government priorities including delivering the 'Skilling Queenslanders' program. A small sign of the new support for TAFE is an advertisement for Bracken Ridge TAFE campus saying it has three times as many courses as it did at the beginning of 2015.

The debilitation of TAFE Queensland was not just the work of Newman and the LNP. It built on national and state policies started in the 1980s and variously authored by the ALP and the Coalition. The Newman Government intensified the impacts but did not initiate the entire package.

Viewed from a system perspective, there are four over-lapping elements to VET policy: (1) moving to 'user choice' where training delivery is driven by students and/or 'industry' in various guises; (2) creating a 'national training market' and 'contestable funding' with Registered Training Organisations (RTOs) competing for public training funding (RTOs included private for profits, community organisations and TAFE); (3) increasing student charges for courses not publicly funded and allowing students to access VET-FEE-HELP for diploma level courses taken at an approved RTO; and (4) endorsing nationally accredited courses and training packages each with specified competency standards and assessment requirements.

Some of these elements, notably student-based funding and FEES-HELP, apply in higher education as well as in VET. Universities, unlike VET providers, retain their autonomy over course content and assessment standards of the degrees they offer. VET providers can only offer courses approved by the Australian Skills Quality Authority; assessment standards are part of these accredited courses. The VET providers are, however, 'free' in how they deliver the course. This is where recent scandals have arisen. There are well-substantiated reports that private providers were using recruiting agents to offer inducements including free laptops for unemployed people to enrol in courses they had demonstrably little likelihood of completing, using FEES-HELP loans which they had little prospect of ever repaying. Major investigations started during 2016 and there were frequent reports of bankruptcy among private providers and consequential stranded students.

The extent of fee deregulation had gone further in VET than in higher education. As Pat Forward, deputy secretary of the Australian Education Union (AEU) representing TAFE teachers argued, the \$96,000 diploma is already happening in VET. Figures from the Commonwealth Department of Education show that the number of students accessing VET Fee-Help loans rose from about 5000 in 2009 to 100,000 in 2013 with more than 100,000 students accumulating debts that could nudge \$100,000.

University of Sydney researchers in 2013 exposed serious deficiencies in course quality at some private providers and documented explicit profit gouging. They write that 'private providers are amassing huge profits at taxpayers' expense, the quality of the system is declining and students may face large debts for courses they either didn't complete or were not of a high standard. Most of the profit gouging and the quality problems have

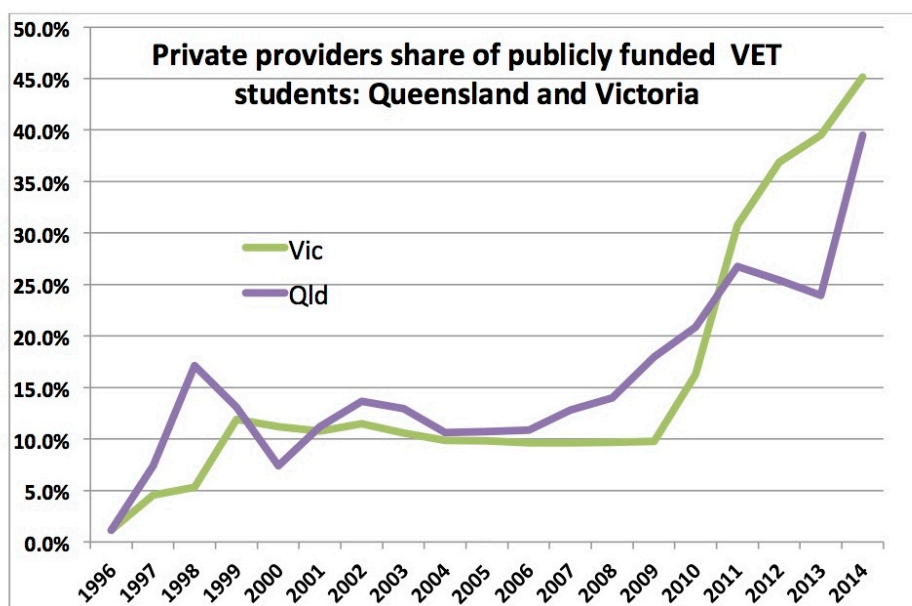
been with diploma courses and were centered in Victoria that took the lead in VET deregulation in 2009-10.¹⁸

The situation came to a head in 2015-16 with the closure of some large private providers for exploiting students. The Commonwealth Government revised regulations in 2015 to stop colleges giving inducements and offering completion of a year long course in super-short time periods. Private colleges will be banned from luring vulnerable students into training courses by offering them free iPads or laptops and will no longer be able to offer 'miraculously' short diploma courses.

The impact on Queensland TAFE has been from competition for publicly funded courses. Public funding for the Certificate III Guarantee became fully contestable in 2013. Certificate courses account for 60 per cent of public funding in Queensland and the change stimulated the rapid growth of private provision in the state.

Figure 1 below shows the share of public funding going to private providers in Queensland and Victoria, the two states with the highest proportion. It demonstrates that private providers received an increasing share of public funding in Queensland under the ALP Governments in the 2000s; the share increased from around 10 per cent to over 25 per cent between 2000 and 2011. The graph also shows the impact of the Liberal Government in Victoria where private provision increased from 10 per cent in 2009 to 45 per cent in 2014. In Queensland, private provision increased from 24 per cent to 39.5 per cent in two years of the Newman Government (2013 -14).

Figure 1



By 2015, Queensland had 49.1 per cent of government-funded students in private providers and 45.5 per cent in TAFE. This was the highest proportion in private providers of any state; in Victoria the proportion was 43.3 and 6.6 per cent in New South Wales. Queensland had more private providers than any other state; 565 registered private providers in Queensland compared with 372 in New South Wales and 377 in Victoria.

The collapse of state-supported TAFE institutions was greater in Queensland than Victoria. The impacts are especially hard on the already disadvantaged; TAFE provides

¹⁸ Yu S and Oliver D, [Privatisation of VET isn't working](#), *The Conversation*, 24.15.

the majority of training for Indigenous students, those with disabilities and those requiring remedial literacy and numeracy training. The pursuit of profit in market arrangements and fully contestable funding will not address educational disadvantage. This requires specific programs that are adequately funded and resourced and cross-subsidisation within educational institutions. This has long been part of the function of TAFEs.

The question facing the Queensland ALP Government during 2015 was whether it could re-create some 'balance' in VET. There are four main matters: (1) reducing educational inequality in a market system where the main concern of private providers is to make profits; (2) ensuring the training effort fits the long-term requirements of the economy and society and is not driven by providers who entice students into courses that are profitable irrespective of workforce needs; (3) having a strong education component to all VET that tempers the immediate job requirements of competency-based packages; (4) having a capable coordinator with overall responsibility for system coherence in vocational education and the maintenance of purpose, quality and public interest.

There was an element of bipartisanship in approach. While the debates in parliament suggest a substantial division between the ALP and the LNP, there is considerable commonality. The ALP did not approve of 100 per cent contestability, but had not rejected the whole idea in the past – it has 'form' with contestable training markets. The Rudd ALP Federal Government and the Bligh Queensland ALP Government were parties to the 2008 COAG 'National Agreement for Skills and Workforce Development'. This included a commitment to encourage responsiveness in training arrangements by facilitating the operation of a more open and competitive training market.

The prognosis for the VET sector and the TAFE colleges is poor. Pat Forward of the AEU is pessimistic. She says that market reforms everywhere will eventually result in the extremes seen in Queensland and Victoria:

Anyone who thinks what happened in Victoria was an accident – first by a Labor and then by a Liberal government – is wrong. Governments have been intent on privatising TAFE for twenty years.¹⁹

Kim Bannikoff, former senior Department of Education and Training official, says a rolling set of reforms and changes amount to the destruction of VET:

This is a story of failure in public policy – how a good idea got buggered up over time and through inattention. The good idea was TAFE.²⁰

The central task for the Palaszczuk ALP Government is to re-establish a VET system that can advance equality and reduces social disadvantage while being both educationally effective and economically efficient.

Unscripted responses to unexpected reviews: the racing industry

Accidents happen. Health and education are the largest expenditure items in the budget, with the highest number of employees and large capital works budgets, so they received a commensurate share of attention in the media and ministerial responses. Employment, mining and the environment are always issues with high political significance in different sections of the electorate. But equally all governments face unexpected demands from the media and often make decisions with unanticipated consequences. The Palaszczuk government was no exception.

¹⁹ Forward P, '[TAFE: privatising the future](#)', Australian Education Union, 2013.

²⁰ Bannikoff K, '[TAFE: How a good idea got buggered up](#)', 2013.

After a TV program lent credence to a campaign by the RSPCA against live baiting used for training greyhounds, Alan McSparran QC (later appointed as head of the Crime and Corruption Commission) was asked to conduct an inquiry into the Queensland racing industry as a whole. He made wide-ranging recommendations which included abolishing the three specialist boards which dealt separately with thoroughbred, harness and greyhound racing. The existing administrators who had been unwilling to take seriously the complaints raised by the RSPCA and animal liberation activists were to be replaced by a board in which the majority of places were held by independent corporate specialists.²¹

When the Minister acted on this recommendation, there was a vigorous response from the incumbent administrators who had all been put in place as a result of a similar upheaval in the Newman era. The *Courier-Mail* reported that the deposed chairman 'slammed the restructure and claimed the industry's peak body was on borrowed time once there was a change of government'.²² The issue which had resurfaced was whether there should be, in the deposed chairman's words, 'a profits-first culture which typified current and past ALP approaches' or whether country race meetings should continue to be subsidised, as they had been under more sympathetic regimes.

The *Courier-Mail* reported that 450 people attended a rally protesting against these changes in November 2015, from many walks of life but notably few trainers and owners. Somewhere along the line, the policy concerns had widened from banning greyhound trainers from using the long-tolerated use of live baiting, to making sure that the new regulatory framework did not impede bookmakers or the conduct of country race meetings. The past history of political interventions in support of the racing industry suggest that this topic has high political sensitivity for a relatively small group, strategically placed in country towns and well-financed by gambling interests in the cities, so more might be heard of this outcome in the run-up to future elections. Or nothing much at all.

Writing in the *Courier-Mail* in February 2016, Terry Sweetman pointed out that 'just a year ago, we were collectively sickened by a Four Corners expose of gross cruelty on greyhound racing uncovered by Animal Liberation activists'.²³ This had led to calls to ban the greyhound sport and prosecutions were laid by a joint police/RSPCA task force as well as life-time bans for trainers. Sweetman suggested that 'since then, Racing Queensland had washed its hands of the matter and blamed the 'independent' Queensland Racing Disciplinary Board which had turned savagely appropriate penalties into comparative slaps on the wrist. The decisions seem little more than a two-fingered salute to public opinion'.²⁴ The report continued to be the subject of disputation inside and outside Parliament. Finally, in April 2016, the Parliament appointed Ross Barnett, former Deputy Police Commissioner, to become the first Racing Integrity Commissioner.

Tension between land and sea: environmental protection

Developing a public policy response to the racing industry required understanding of parochial and specialised interests; health and education involved complex issues of inter-governmental relations. Environmental policies spanned both dimensions. In any state, tension exists between the historic and contemporary exploitation of natural resources such as minerals and agricultural production and the emerging pressure for

²¹ Timoshanko A and Parker C, '[Queensland will need teeth to stop the greyhound industry bleeding to death](#)', *The Conversation*, 4.6.15.

²² *Courier-Mail*, 5.6.15.

²³ *Courier-Mail*, 19.2.16.

²⁴ *Courier-Mail*, 19.2.16.

environmental protection, both for future generations and to preserve the lifestyle of current generations.

This last point is especially relevant to the Great Barrier Reef, and the tourism industry that relies upon the Reef as one of Queensland's foremost attractions for overseas and interstate visitors. Policy concerns about the Reef bring together management of farming lands as well as the future of tourism in North Queensland, access to port facilities, fishing rights as well as the preservation of the Reef itself.

The Reef became a campaign talisman for key international, national and local environmentalist groups concerned at the impact of many of the often hasty changes made by the Newman government over vegetation management, land-use and management of the marine habitat (including control over fisheries licences). Newman was accused of removing many of the legal restrictions on farmers, especially over tree clearing, and allowing them to access previously protected areas such as State and National Parks. The Newman Government also weakened compliance restrictions on the use of chemicals and other pollutants in river systems flowing into the ocean near the Reef. It championed developing ports and associated major mining developments and transport infrastructure in the vicinity of the Reef to facilitate the export of minerals such as coal and natural gas, discussed later.

There was ALP internal conflict on this latter issue, particularly because unemployment was the dominant election issue in northern and coastal areas as a result of the downturn in mining and processing minerals. Unemployment rates in northern towns were more than twice those in the south-east corner. Further south, interlocking concerns about climate change, conservation and environmental protection was clearly an issue in the many seats held by the ALP in the Brisbane urban area and south-east Queensland, especially in the more prosperous suburbs where there was a serious challenge from the Greens and other non-aligned groups. In Mt Coot-tha, the seat held by the incoming Minister for Environment and Heritage Protection, and in the adjoining seat of Ashgrove, won back by Jones from the former Premier, protecting the Reef became a potent pictorial image and campaign slogan.



Environmentalists were concerned that the LNP Government's weakening of controls threatened the Reef's long-term viability. An unusual bipartisan coalition emerged between the State Environment Minister and his opposite number in the Federal Government which also wanted to retain its green credentials among urban Liberals. The threat of the UNESCO World Heritage Centre adding the Reef to a list of endangered 'world heritage' assets had the two Ministers making common cause. This was of strategic importance to the Queensland Government because of its international tourism industry and to the national government as part of its somewhat shaky claims to be responding positively to issues of climate change and environmental protection.

UNESCO's concerns were addressed, in part, locally by amending Queensland's port-related legislation in line with the intent of the national Draft Great Barrier Reef 2050 Long-Term Sustainability Plan. This purpose-specific legislative change banned dumping dredge spoil within the World Heritage Area, reinstated coastal planning laws removed by Newman, and provided significant additional funding for water quality initiatives, scientific research and assistance to businesses to transition to better environmental practices in the primary production and fishing industries.

The same agencies at State and National level were also engaged in other forms of regulation designed to protect the natural heritage and simultaneously contribute to the climate change benefits derived from re-forestation. The Newman Government had released farmers from a range of restrictions designed for this purpose which were denigrated as 'green tape' (as a sub-genus of 'red tape'). It also reduced protection within national parks by permitting grazing and motorised leisure activities in reserved areas. Finally, removing restrictions on clearing of native woodland for improving pasture for beef cattle led to a rapid escalation in land clearance in Queensland. The final act of what was labelled LNP vandalism was giving approval to the largest clearing project – a 330 sq km property in Cape York – during the 'caretaker period', days before the election in January 2015.²⁵

The Palaszczuk Government set about restoring the vegetation protection laws and co-operating with the more general federal controls on activities affecting the Reef. The matter was seen as urgent – a surge of land clearances was stimulated by the unanticipated election result: a government report showed the rate of clearing had trebled in two years.²⁶ The response from bodies such as the Wilderness Society was alarm at the prospect of increased run-off to the Reef, particularly the section on Cape York where the last major section of the inshore Reef was deemed to be the only area still in excellent condition.

However, one well-informed expert noted that there were other factors beyond the response to the election result:

The vast majority of increased clearing in Queensland actually was already locked into the system through permissible clearing under the previous Bligh Government legislation. There is not strong evidence for substantively increased clearing in Reef catchments that wouldn't have occurred under previous legislation, though Olivevale in the Cape is a notable exception. Drought in the Southwest and good rainfall in 2011 were the primary drivers of increased permissible clearing and much of it is west of the Divide. The Wilderness Society campaign however wasn't too focused on these nuances.²⁷

The *Courier-Mail* headlines demonstrated the paper's own engagement with the issue:

²⁵ Robertson J, '[Deforestation surges in Queensland ahead of crackdown on land clearing](#)', *The Guardian*, 17.9.15.

²⁶ see Robertson J, *above*.

²⁷ Private communication with the author.

'Bush blitz imperils the Reef – plea to restore clearing laws as graziers slash land'.²⁸

However, making an urgent response was not without its internal problems for an ALP Cabinet with tensions over the need to create jobs against the rising tide of concern about climate change and conservation.

Resources Minister, Dr Anthony Lynham, whose large bailiwick included the mining industry, told the *Courier-Mail* that 'there would be no rushed changes on vegetation management. It's integral to carbon emissions, sediment run-off and biodiversity. But it's also integral to landowners, farmers and their businesses and the jobs they support across the state'.

Pressure came when the Wilderness Society pressed the national government to investigate whether large-scale land clearing in the Newman era had breached its laws protecting threatened species and heritage properties as well as the waters of the Reef. This shifted the spotlight back to the previous Newman Government which had amended the terms of the Vegetation Act in favour of farmers. Throughout the year there was tension both within the electorate and within the ALP over this issue. In discussing the 'lawfare' being waged through the court system by environmentalist groups at both national and State level, Lynham made it clear the Palaszczuk government had a much more balanced approach than feared by its business-focussed critics. The change in language was welcomed by the editor of the *Courier-Mail*:

This (Lynham's speech to a business seminar in Cairns) was a remarkable turn-around from Labor, which backed third-party rights and had told the Wilderness Society there would be no change. It is, as many in the mining community have said, a welcome change of rhetoric and a reality check for a Government that is starting to understand they need new development to keep delivering state services and building infrastructure. Time spent in the far north of the state, mixing with those willing to gamble corporate funds to generate jobs and wealth in risky market conditions, can be a tonic for ministers who have spent much of their time in the south-east. It is welcome to hear a change of language from the Government and see the kind of pro-development, have-a-go spirit that has sustained our economy for decades.²⁹

Perhaps it was factional concern about the tone of Lynham's speech which led to a realignment of responsibilities for vegetation protection legislation, transferred to the Minister for the Environment from Natural Resources, effectively a move from 'right' to 'left'. However, the two members of Katter's Australian Party maintained their resistance when the legislative changes on tree clearing reached Parliament in February 2016. After they secured a delay with the backing of the dissident independent Billy Gordon, they forced another longer delay at the end of March when assisted by yet another ALP dissident independent from the electorate of Cairns, also in North Queensland.

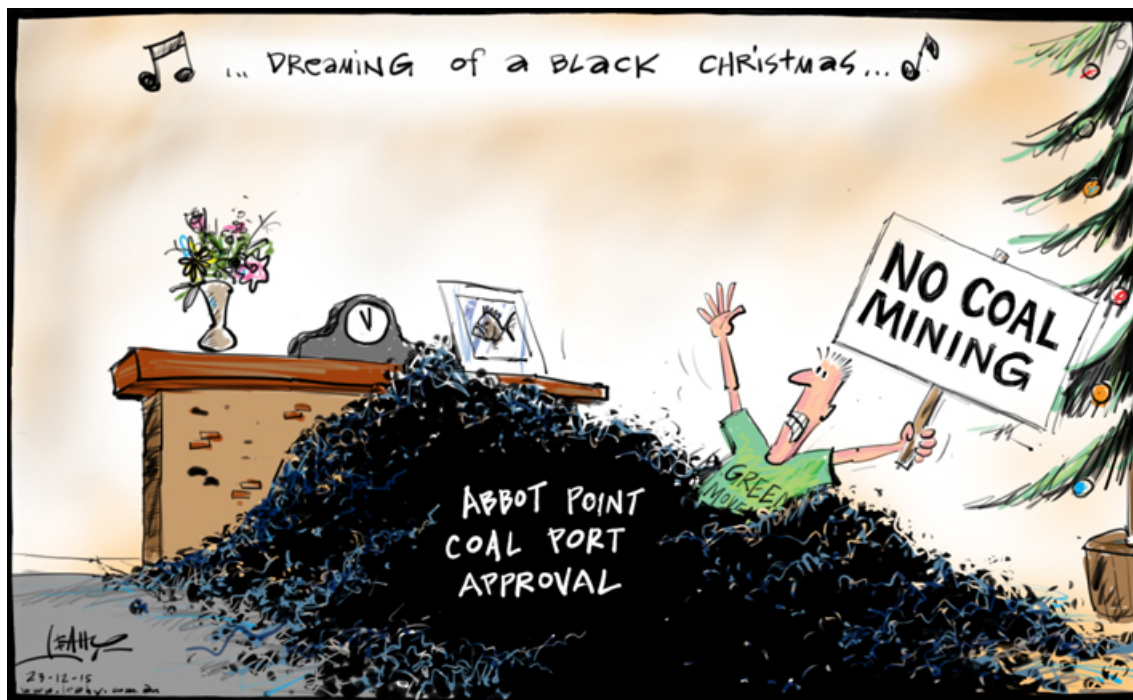
Climate change concerns seemed by then to have slipped off the agenda of both state and federal governments, with Prime Minister Turnbull disowning his earlier enthusiasm and supporting the fig-leaf of Abbott's 'Direct Action' policy. Galling though this outcome was for environmentalists of all political persuasions, including those in the federal agencies, there were few jobs at stake in the short term. The main arena where the tension between environmental protection and job-creating development activities was elsewhere – not in tree clearing but related to the mining industry, focussed in particular on the development of new coal mines in the Galilee Basin in the north, on Acland on the Darling Downs and on sand-mining activities on Minjerribah/North Stradbroke Island.

²⁸ *Courier-Mail*, 12.6.15.

²⁹ *Courier-Mail*, 9.11.15.

4 The resources curse

Howard Guille



The clash between development and the environment typified by 'coal versus the Reef' or 'coal seam gas versus artesian water' is perhaps the essential political conflict in Queensland. Intense contention about environmental damage and climate change creates an unenviable place for a progressive and caring government. Such a government needs to find jobs to deal with the dislocation of unemployment and the social exclusion for workers. Yet, it must face the almost implacable hostility of environmentalists to mining and development in the environs of the Barrier Reef. At the same time, 'middle-class' ALP voters are defecting to the Greens and this threatens the electoral position of the ALP especially in an optional preferential system. Meanwhile, the mining industry with its vast campaigning resources has actively encouraged conflict between workers and environmentalists by promoting itself as the saviour of the state's economy.

Jobs are fundamental to these arguments which faced the Palaszczuk Government in its first year in office. The proponents of mining used employment arguments to justify more mining and label environmentalists as job destroyers. Environmentalists mainly relied on ethical arguments of preventing damage to the eco-systems but also argued that the numbers of jobs claimed for mining are exaggerated and come at the expense of jobs in tourism.

In addition, unions and some environmentalists joined in demands for a 'just transition' from fossil fuels. The 2015 ALP state conference passed a resolution calling on the state government to prepare a 'Just Transition' policy before the next conference. In November 2015, the Queensland Conservation Council in connection with 350.org released *Jobs after Coal – a just transition for Queensland*.³⁰ It called for 'a stronger and

³⁰ [Jobs after Coal: A just transition for Queensland](#), Queensland Conservation, November 2015.

more cooperative civil society and strengthening the fabric of our democracy'. The aim is to capture the economic opportunities to build coalitions of environmentalists, business and unions to lead the transition away from fossil fuels and towards renewable energy. As the report states:

Transition from unsustainable coal mining to prosperous communities with employment will not materialise by themselves. The Government is needed to help this transition.³¹

The situation facing the new ALP Government

2015 was not the best time for a new government to have to start to deal with conflicts between mining and the environment. Mining was in a slump with big job losses; unemployment was high in regional areas. Proposals for new mines in the Galilee Basin along with the expansion of Abbot Point coal terminal were coming to critical decision points. In December 2014, the LNP Government accepted advice to allow the expansion of the Acland New Hope mine on the Darling Downs while exports of coal seam gas piped to the Curtis Island processing plant from wells drilled in the Surat Basin were just beginning. Climate change was starting to come back on the public agenda.

Some of these matters, notably Abbot Point, the Adani mine in the Galilee and the Acland expansion, were going through state and federal approval processes. A highly resourced mining industry with sophisticated media skills (and media supporters) was quick to argue about 'sovereign risk' endangering future overseas investment if policies were seen as favouring of the 'greenies'. In turn, some of the environmental groups were strident and quick to label the government as selling out. To add to this, the Federal Government under Tony Abbott was very strongly pro-mining and had pronounced 'coal as good for humanity'.³²

In July 2015, the State Government restored third party objection rights to environmental approvals by mining interests; this reversed the action of the LNP and made it possible for landowners and activists to take cases to the Land Court. This was used later in 2015 in an appeal against the approval of the Acland mine. It also reintroduced the community impact requirements of environmental impact statements and established a Resources Community Roundtable with industry, environmental, union and local government representatives.³³ These are important but still small changes. Even so, the considerable formal powers of the State over mining and development are exercised in the context of 'pro-business policies' and the extant mining industry. The Environmental Impact Statement (EIS) approval processes include detailed analysis of particular projects; yet 'economic and social impacts are rarely assessed after the approvals stage'.³⁴

The contribution of mining

As unpalatable as it may seem, one of the most accurate descriptions of the Australian economy is of 'first world' living standards with a 'third world' trading pattern based on the export of unprocessed raw materials. The Australian Chief Scientist, Ian Chubb, made the same point in a major speech in 2014.³⁵

³¹ [Jobs after Coal: A just transition for Queensland](#)

³² Chan G, 'Tony Abbott says "coal is good for humanity" while opening mine', *The Guardian*, 13.10.14.

³³ [Resources Community Roundtable members](#).

³⁴ Galina Ivanova, John Rolfe, Stewart Lockie and Vanessa Timmer, 'Assessing social and economic impacts associated with changes in the coal mining industry in the Bowen Basin, Queensland, Australia', *Management of Environmental Quality*, Vol 18. No 2, 2007.

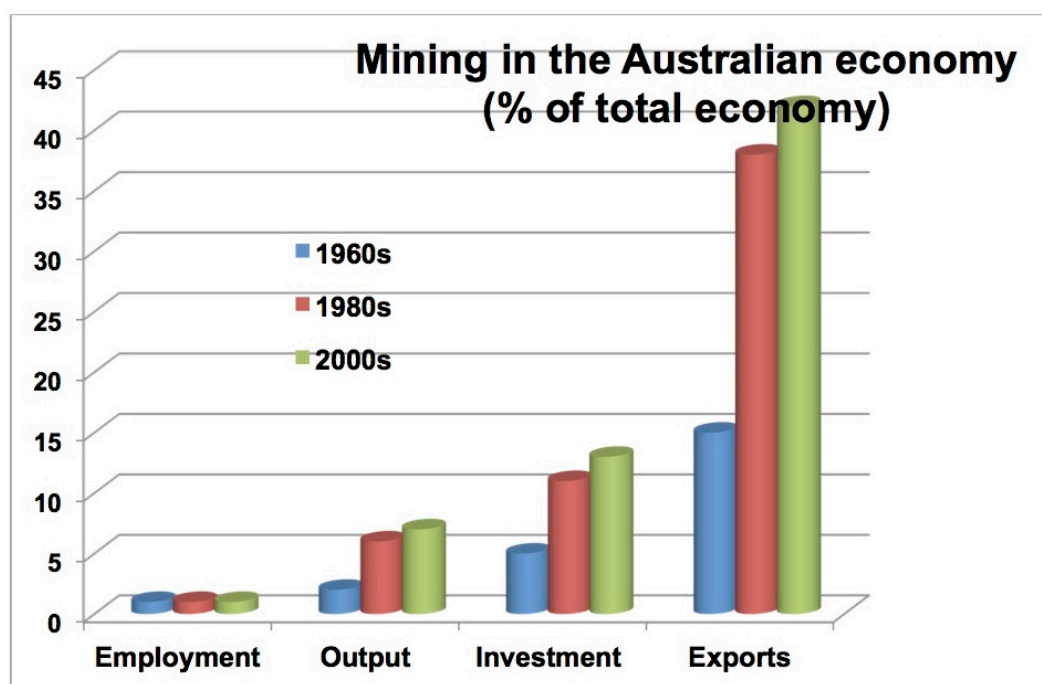
³⁵ Professor Ian Chubb, [Keynote Address to ATSE Clunies Ross Awards Dinner](#), 21.5.14.

Australia produces and exports raw materials – particularly iron ore, coal – and imports 'elaborately transformed manufactures'. This is more typical of an African or South American country or Papua New Guinea than of a developed economy. In late 2015, metals like iron-ore and gold accounted for 28% of total exports, coal for 18% and oil and gas for 9%. Mining is a high proportion of the value of exports but a much lower proportion of total output and employment; this is especially marked in Queensland and Western Australia, the two 'resource states'.

Figure 2 shows the contribution of mining to the Australian economy over five decades. The data are from a Reserve Bank of Australia Bulletin.³⁶

Mining exports have increased from 15% of total exports in the 1960s to 42% in the 2000s. The share of national output increased only from 2% to 7% and the share of total employment was constant at 1% of the workforce.

Figure 2



Mining is an enclave industry with limited linkages to the host economy. This is almost as true in Queensland as in Papua New Guinea, Mozambique, Chile or Mongolia to take examples of countries where there has been a similar increase in mining exports involving the same global mining companies. Some of the shared characteristics are:

- Capital equipment is imported – the iron work and boilers in nineteenth century mines in Queensland are stamped made in England or Scotland; the twenty-first century ones are stamped made in China or Korea. Figure 3 below is a photograph of barges in the Coral Sea bringing pre-fabricated plant for the Curtis Island gas complex.³⁷

³⁶ Connolly E & Lewis C, Structural Change in the Australian Economy, Reserve Bank of Australia Bulletin, September Quarter, 2010.

³⁷ See also [Bechtel's account](#) of how the plans with 'enough structural steel to build 13 Eiffel Towers' were designed and pre-fabricated outside Australia. Indeed, and it is no small matter, they rely on 'overseas' analogies and not Australian ones; hence, the Eiffel Tower, Grand Canyon and Empire State Building but not Lang Park or Sydney Harbour.

- The shipping of exports is in overseas-owned, crewed and registered ships.
- Mining is capital intensive so that while wages might be relatively high the total production work force is quite small; for example, the entire Coal Seam Gas industry employs fewer people than Bunnings.³⁸ Moreover, the senior management cohorts are usually global citizens of the mining corporation.
- The output is exported with very little processing or value-adding; for example, bauxite is refined to alumina, the bulk of which is exported (classified statistically as a 'manufactured chemical'). Smelted aluminium is mainly exported as ingot metal not aluminium products.

Figure 3

Gas train in the Coral Sea April 2013 (photograph by T Gill)

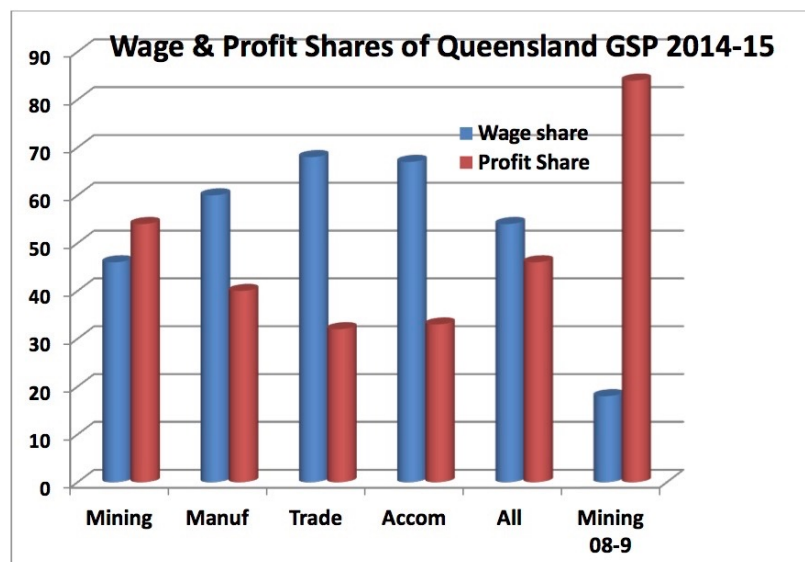


Mining has been a major contributor to economic growth but its contribution to the income of Queensland residents is lower. The conventional measure of economic growth is Gross Domestic Product (Gross State Product (GSP) is the state derivative). It is a measure of the value-added from all traded goods and services produced in the economy. Earnings from production that go to non-residents are counted within GDP but do not accrue to the national/state economy. Papua New Guinea is a case in point where the World Bank shows that the income accruing to residents is only 82% of gross national product. Queensland is in a similar position with the profits from mining going overseas either to corporate headquarters or investors.

³⁸ Ogge M, [Be careful of what you wish for: The economic impacts of Queensland's unconventional gas experiment and the implications for Northern Territory policy makers](#), The Australia Institute, November 2015, p.14.

The wages proportion of the value-added from mining is lower than from other sectors. Figure 4 shows the wages and profits share for some sectors of the Queensland economy.³⁹

Figure 4



In 2014-15, 54% of the output from mining went in profits and 46% in wages. This is in reverse to the economy as a whole while the ratio in manufacturing was 40:60 and in wholesale and retail trade and in food and accommodation (which is the proxy for tourism) 34:66. In 2014-15, mining and manufacturing accounted for 7% of the value of total state output and trade for 10%. On this basis alone, it is reasonable to conclude that mining was contributing less than the other sectors to the Queensland economy.

There was a slump in mining in 2014-15. In 2008-09, the most recent peak year for mining output, only 16% of the value of mining output went to wages and 84% to profits. The two bars at the right-hand side of Figure 4 show the 2008-09 data. Mining profits in that year were \$29.5 billion and total labour costs were \$5.7 billion.

All of this means that the contribution of export mining to an economy depends on the level of royalties, how the industry is taxed and who gets the profits. Taxation is through company taxes on profits, resource rent taxes (taxes on super profits) and specific levies and charges. Royalties in Queensland are relatively low; the Queensland rate is 7% for a coal price up to \$100 per tonne. In comparison, the rate for open cut mines in NSW is 8.2%⁴⁰ and in North America, the minimum royalty is 12.5%.⁴¹ The mineral resources rent tax, itself a diluted version of a super profits tax, was defeated by the political campaign by mining companies led by Fortescue, Xstrata and Hancock and the opportunism of the Federal Coalition led by Tony Abbott. In the 1960s and 70s, the expansion of the Queensland railways to carry export coal was partly funded by a fixed per tonne levy on the state-owned railways. This was also a way of getting some of the

39 Data from [Queensland Government Statisticians' Office, Gross state product at factor cost by industry and main components, Queensland, 2004-05 to 2014-15](#).

40 'Paying Mining Royalties', Department of Minerals and Energy NSW (accessed 13.3.16).

41 Stanford J, 'What are the benefits of mining in Queensland?' TJRyan Foundation Research Report 15, 2013.

coal income into the public revenues. The advent of National Competition Policy saw its demise; the privatisation of QR freight prevents its reincarnation.

Queensland does badly on taxing mining; it also does little to capture any of the profits. The Norwegian government, for example, captures a much larger share of resource sector revenues than happens in Australia. According to David Gruen of the Reserve Bank:

Norway's government revenues from the oil and gas sector over recent years have averaged about two-thirds of total factor incomes for this sector, compared to an average share of less than one-fifth in Australia (including revenues accruing to both Commonwealth and State governments).⁴²

Norway has invested the profits into what is now the world's largest sovereign wealth fund. The purpose of the Fund, conceived at the start of the Norwegian oil boom, is to provide a fiscal policy lever and 'a tool to manage the financial challenges of an ageing population and an expected drop in petroleum revenue. One day the oil will run out, but the return on the fund will continue to benefit the Norwegian population'.⁴³ The model has been exported – Papua New Guinea and Timor L'Este are both making a greater provision for the future than is Queensland with the PNG Parliament passing legislation for a sovereign wealth fund in July 2015.⁴⁴ There is also a state equity ownership in an LNG joint venture managed by ExxonMobil. The Timor L'Este fund was established in 2005⁴⁵; in 2015 it was worth US\$16.9 billion.⁴⁶ The fund is required to 'contribute to a wise management of petroleum resources for the benefit of both current and future generations'.⁴⁷

Politics and resources

In Queensland, mineral and petroleum resources such as coal and gas are vested in the state – including those below the surface of private land.⁴⁸ Global corporations dominate coal, gas, copper and gold – the likes of BHP-Billiton, Rio-Tinto, Glencore, Newcrest, Vale and emerging Indian and Chinese corporations. They need favourable decisions from the State at all stages from exploration through to production, transport and export.

The more that the politicians, opinion leaders and the public believe in the promise of mining, the easier it is for the corporations to get favourable decisions. And the harder it is for environmentalists and community groups to oppose resource development. The resource companies try to influence public opinion – with sophisticated media from peak bodies like Queensland Resources Council; corporate campaigns – whether Rio Tinto trying to de-unionise or Sibelco to convince the LNP Government to repeal mine closures; through to sponsorship of sporting teams, community groups and facilities. Corporate web-sites and throw-away newspapers spruik the money given to hospitals, aged care, art groups, athletes and so forth. On top of this there is indirect investment in influencing public opinion through the funding of research and thinking – for example the Sustainable Minerals Institute at the University of Queensland receives half its funding

⁴² Gruen D, (authors Phil Garton & David Gruen), 'The role of sovereign wealth funds in managing resource booms: A comparison of Australia and Norway', Speech to Third Annual Asia Central Bank and Sovereign Wealth Fund Conference, 23 February 2012.

⁴³ [Norges Bank Investment Management, The Fund.](#)

⁴⁴ See comparison with Britain: Inman P, '[Norway's sovereign wealth fund is "example for oil-rich nations"](#)', *The Guardian*, 30.9.13.

⁴⁵ [Timor Leste Petroleum Fund](#)

⁴⁶ [Timor Leste Petroleum Fund](#)

⁴⁷ Minister of State and of the Presidency of the Council of Ministers and Official Spokesperson for the Government of Timor-Leste, [Petroleum Fund now in excess of \\$15.7 billion](#), Dili, July 17 2014.

⁴⁸ As Geoff Edwards has pointed out, there are a few very early land titles in the coal-mining area of the greater Darling Downs that include the coal.

from mining companies. It also helps to have former politicians on board; former resources minister and ACTU President Martin Ferguson is a Director of BG Group, one of the developers of the Queensland Coal Seam Gas (CSG) industry. Former State ALP Treasurer Keith de Lacey became Chair of Macarthur Coal that was sold to Peabody Resources in 2011 for \$4.8 billion.

Part of the way of winning minds in favour of mining is to exaggerate its economic contribution. This seems to have been successful. Research by The Australia Institute shows that a majority of Queenslanders believe that the mining industry employs ten times as many people and contributes five times as much revenue to the state budget than it actually does.⁴⁹ The strength of the soft power of the mining corporations is shown by the comment made in 2011 by then Premier Bligh that 'Proposals to not approve any further coalmines [are]... just simply preposterous, they would spell economic and social catastrophe for Queensland and the national economy'.⁵⁰

The contribution of specific mines and projects is also exaggerated. There is convincing evidence that inflated job numbers were used to support proposals including the Galilee Basin and Acland mines, Coal Seam Gas projects and to oppose the closure of sand mining on Minjerribah/North Stradbroke Island.⁵¹ Often the exaggeration comes from using input-output analysis with very high 'secondary' job numbers. However, some of the exaggeration probably comes from advocates choosing the most persuasive set of numbers. In 2013, the NSW Land and Environment Court rejected this approach in a case about the Rio Tinto Warkworth mine in the Hunter.⁵² In December 2015, the Queensland Land Court did so in a decision on the Adani Galilee mine. Even though the Court recommended approval of the mine, it criticised the economic and job assumptions. The judge said:

My conclusions about the financial and economic evidence are that the applicant has overstated certain elements of the benefit of the mine both in the EIS and in the evidence before this Court.⁵³

Notably, the claim of over 10,000 full-time equivalent jobs was not justified and the more accurate prediction (made by the company in court) was the full-time equivalent of 1,206 jobs in Queensland. The judge made a formal order that the questions about the benefits of the project should be drawn to the attention of the Minister. It is intriguing that it is taking judges, and not the economists and analysts involved in state and federal approval processes, to report on these flaws.

Environmental issues have shifted from local impacts on eco-systems to national and global matters like the Great Artesian Basin, the Great Barrier Reef and climate change. This means the Queensland Government is on the receiving end of national and international campaigns – most especially about the Barrier Reef and about climate change. It has another and less obvious effect that it is more difficult for the miners to secure what they have termed a 'social licence' for their operations simply by making

⁴⁹ Campbell R, [The mouse that roars: coal in the Queensland economy](#), The Australia Institute, 2014.

⁵⁰ Julia Gillard & Anna Bligh, Transcript of joint press conference, Gladstone, 2011; quoted by Campbell R (above) p6.

⁵¹ See for example, Campbell R, ['Are there 27,000 jobs in the Galilee Basin?'](#), The Australia Institute Briefing Note, January 2014; Campbell R, [The mouse that roars: coal in the Queensland economy](#), and Ogge M, ['Be careful of what you wish for. The economic impacts of Queensland's unconventional gas experiment and the implications for Northern Territory policy makers'](#).

⁵² For example, 'The Court held that the IO Analysis and the BC Analysis had deficiencies in the data and assumptions which affected the reliability of the conclusions and, more fundamentally, they did not assist in weighing the economic factors relative to the various environmental and social factors', Camenzuli L, ['Court refuses expansion of Rio Tinto's Warkworth Coal Mine'](#), Corrs Chambers Westgarth, 22 May 2013; See also Campbell R & Denniss R, [Warkworth Continuation Project Submission](#), The Australia Institute, August 2014.

⁵³ Mineral Resources Act 1989, [Adani Mining Pty v Land Services of Coast and Country Inc and Others \[2015\]](#), QLC 48 para 575.

local concessions to offset local damage. If companies want to be serious about 'social licence', they need to reach agreements with communities about all facets of a proposal – including minimising environmental damage, sharing economic benefits and increasing social equality. This is a much more profound task than has been occurring as will be illustrated via some cases studies of recent mining proposals in Queensland.

The New Hope Group's Acland mine

New Hope's mine is unusual because it brought together an unlikely combination of usually conservative agricultural interests with environmentalists because of its setting in high-quality prime agricultural land. New Hope's Acland open cut coal mine is seven km from Oakey on the Darling Downs. It is on the site of a small underground mine used for transport coal from 1929 to 1984; that mine, and a number of buildings are on the Queensland Heritage Register.⁵⁴ The existing mine started in 2002 and exports through the Port of Brisbane. The proposed Acland No 3 extension is to increase production from 5.2 to 7.5 million tonnes per annum and extend the mine life from 2017 to 2029. The mine will take over 1,361 hectares of what is designated as 'strategic cropping land' and use five billion litres of water per year from groundwater.⁵⁵

The New Hope Group bought up the properties in Acland and its first expansion plans in 2009 included mining the site of the old mine and township. The proposal met opposition about the use of strategic cropping land, water and impact on the farming community. Federal MP Bob Katter and broadcaster Alan Jones (a former pupil at Acland School) were prominent in the combined opposition of land-owners, farmers, environmentalists and the 'Lock the Gate' Alliance.

The 2009 environmental impact statement even used climate change as a justification for a bigger coal mine. Quoting the Garnaut Report on Climate Change, it said that 'Climate change is likely to affect agricultural production'. In consequence, 'It could therefore be considered that the long-term overall economic health of the host economy is dependent on other industry sectors'.⁵⁶ The report left unsaid that coal mining, irrespective of its production of greenhouse gases, was available as another industry.

In the 2012 election campaign the (then) LNP opposition said it would not support the mine's expansion plans because of the impact on good agricultural land. New Hope revised its proposal to exclude mining the old township and shift loading facilities away from residents. However, the area of cropping land to be mined was unchanged. New Hope lodged a revised plan and impact statement.

Research commissioned from The Australia Institute argued that the economic benefits – especially the number of secondary jobs – were over-estimated. It noted that:

There is no doubt that while the New Acland Project may employ several hundred people, its effects on employment overall are dubious. Many workers are contractors whose job security is uncertain – their jobs can end suddenly if the coal price declines. Furthermore, the project destroys jobs in other sectors, a factor that is not considered.⁵⁷

This is relevant to the assessment of many mining projects. The report also said:

⁵⁴ Queensland Heritage Register, Acland No. 2 Colliery (former), no 602599.

⁵⁵ Inga Stunzner, 'No hope for New Acland: landholders', *Queensland Country Life*, 17.3.14.

⁵⁶ [New Acland Coal Mine Stage 3 Expansion Project – Environmental Impact Statement 2009 Chapter 17 - Economic Development, pp.17-19](#). Note that this section is not in the 2014 EIS.

⁵⁷ Campbell R and Ogge M, '[Biting the land that feeds you](#)' The Australia Institute, December 2013.

Until the New Acland project can show that the royalties it would generate outweigh the damage that it will cause to agriculture in the Darling Downs, the project should be rejected.

On top of all this, the economic cost-benefit analysis in the New Hope proposal used a unique methodology of which the Australia Institute said it was 'unaware of any similar assessments anywhere in the world':

These assessments completely ignore the negative effects of the project. It is hard to understand how the mine's economists failed to notice the disappearance of the community of Acland, the decline of the area's farms and the effects this decline has had on businesses in Oakey.⁵⁸

It concluded, the 'proposal is likely to further reduce economic welfare and should *not* go ahead'. The project was approved by the State Coordinator General on 19 December 2014. Its report contains no response to, or engagement with, the criticism of the economic analysis submitted by New Hope.⁵⁹

Acland became a big issue in the 2015 election campaign. As the Oakey Coal Action Alliance said:

We were still surprised at just how much Acland – and the nefarious dealings of New Hope Coal and the Newman Government – featured during the election campaign!⁶⁰

Donations of \$900,000 from Soul Pattinson (owners of New Hope) to the Federal Liberal Party were highlighted by broadcaster Alan Jones and others. Jones said that Acland was a 'metaphor for the election campaign'.⁶¹ The ALP promised a review of the approvals process for Acland and made commitments to the Independent member for Nicklin about a review of political donations and project approvals. Anthony Lynham, then in opposition, was reported to say 'he was not in favour of the Acland expansion'.⁶² The Lock the Gate Alliance lodged a complaint with the Crime and Corruption Commission in August 2015 alleging the LNP Government's approval was influenced by gifts and donations. In December, the CCC announced it considered 'there is insufficient evidence to support the allegations and insufficient evidence to raise a reasonable suspicion of any criminal offence'.⁶³ The obvious point is that the CCC is concerned about behaviour that breaks the law – this is not the same thing as political favours.

Based on the Coordinator-General's determination of December 2014, New Hope made an application for an environmental authority for the mine expansion in April 2015. On the 28th August 2015, the Department of Environment and Heritage Protection as the 'administering authority' issued a draft Environmental Authority for the mine expansion. The authority specifically mentions and flows from the report of December 2014.⁶⁴ The matter has proceeded to the Land Court with the objections of the OCAA to the mine approvals being heard in March 2016.⁶⁵

⁵⁸ Campbell R, [Submission on New Acland Coal Mine Environmental Impact Statement](#), pp.10-11.

⁵⁹ New Acland Coal Mine Stage 3 project [Coordinator-General's evaluation report on the environmental impact statement](#), December 2014.

⁶⁰ Oakey Coal Action Alliance, [2015 election features Acland](#).

⁶¹ Branco J, ['Queensland Election 2015: Acland mine a 'metaphor' for election, says Alan Jones'](#), *Brisbane Times*, 23.1.15.

⁶² McKean A, ['Coal mine expansion approved after \\$700k donation to LNP now faces hurdle'](#), *Independent Australia*, 29.4.15.

⁶³ ['No evidence donations swayed former Newman government's Acland mine decision, CCC says'](#), ABC News, 5.12.15.

⁶⁴ ['Acland coal mine: Draft authority for expansion of controversial \\$900 million project issued'](#), 31.8.15,

⁶⁵ ['Landmark hearing begins: farmers challenge Acland coal mine expansion'](#), Queensland Environmental Defenders Officer, 7.3.16.

An important question is whether the political processes and the environmental impact procedures are providing 'proper independent scrutiny':

- It is unclear whether the Coordinator-General's decision in December 2014 bound the incoming ALP Government and whether New Hope could have gained a court order if the new Government had refused to process the matter further.
- The Land Court does not seem the most appropriate place to debate environmental, economic and social impacts. The judicial process is an adjudication of 'rights'; it is not one of assessing and determining interests.
- The environmental and economic claims made by the proponent and the claims made by those objecting, are open to scrutiny. However, it seems much more difficult to scrutinise and question the methodological and value basis on which the Coordinator-General operates.

There is one overwhelming matter. The campaign against Acland has come from politically 'conservative' people. In their own words:

Remember our groups are not anti-development or anti-jobs – far from it! We are fighting simply for the right to continue farming on the inner Darling Downs. Farming is sustainable and creates significant jobs, and cash-flow for local businesses. Proper independent scrutiny of destructive projects, like Acland Stage 3, is the civil right of rural communities like ours.⁶⁶

The Galilee Basin – hot air and jobs

At the beginning of 2016, seven mines were being assessed under environmental laws; two for Hancock Coal (Hancock and GVK joint venture), two for Waratah (China First and Palmer Coal) and one each for Adani, Alpha and Macmines. The largest are the Adani Carmichael mine and Alpha and Kevin's Corner mines of Hancock Coal.

If all the Galilee mines go ahead to produce thermal coal, it would amount to a 150% increase in coal exports from Queensland.⁶⁷ The alternative claim is that burning the carbon stock of these mines will account for more than 5% of the world's carbon budget.⁶⁸

Mining in the Galilee is either lauded as the next big thing or excoriated as an environmental disaster. The Queensland Resources Council is in the former camp and refers to a 'jobs bonanza'⁶⁹ and 'One of regional Queensland's biggest job-creating projects'⁷⁰. In comparison, 350.org argues, 'the proposed Galilee Coal mines in central Queensland is one of the most important fossil fuel fights on the planet'.⁷¹ The Climate Council labels it 'Galilee Basin – Unburnable Coal'.⁷²

The Newman and Abbott Governments were unreservedly strong advocates for the Galilee mines with the Queensland Government under the LNP offering to take equity in the rail line to be constructed from the Adani mine to Abbot Point.⁷³ This was despite

⁶⁶ Oakey Coal Action Alliance, [United We Stand](#), July 2015.

⁶⁷ Duus S, 'Why the Galilee Basin is worth worrying about', *The Conversation*, 28 November 2012.

⁶⁸ [Cooked by Coal: The Global Significance of Australia's Galilee Basin](#) Green Institute, March 2015.

⁶⁹ 'Port approval a green light for jobs bonanza', Queensland Resources Council Media Release, 22.12.15.

⁷⁰ 'Adani project back on track', Queensland Resources Council Media Release, 15.10.15.

⁷¹ 'Galilee Coal', 350.org.

⁷² Steffen W, 'Galilee Basin – Unburnable Coal', Climate Council of Australia, 2015,

⁷³ Deputy Premier, Minister for State Development, Infrastructure and Planning, The Honourable Jeff Seeney, Media Statement, 'Historic agreements bring jobs to Queensland', 17.11.14.

advice in the Queensland Treasury that the project was unviable.⁷⁴ The ALP Government was more circumspect during 2015, continuing to back the project but ruling out financial assistance and emphasising protection of the Barrier Reef. According to the current Treasurer, Curtis Pitt, Labor supported the 'sustainable development of the Galilee Basin'.⁷⁵ The State Development and Resources Minister, Anthony Lynham, has highlighted 'Thousands of potential jobs' in the Galilee projects and said that Government actions about the Galilee 'demonstrates the Palaszczuk Government's commitment to supporting business and industry in creating jobs'.⁷⁶ Against this, the Government consistently emphasised it is improving protection for the Barrier Reef; for example this early statement by the Environment Minister, Steven Miles:

The Premier has made it clear she wants our government to be the one that puts the future of our Great Barrier Reef beyond doubt.⁷⁷

Perhaps the best way to sum up the Galilee is that, on the knowledge available now, it should not have been started. Yet, as Paddy Manning aptly put it in 2014, 'Defying science and economics, these projects just won't die'.⁷⁸ Opponents can mobilise a range of arguments: the contribution to global warming, the threats to the Great Artesian Basin and to the Great Barrier Reef ought to invoke the precautionary principle. The claims about jobs varied over time but seem much exaggerated and the coal price is low and renewable energy is getting cheaper. There are also large doubts about financing, especially for the Adani mine; some large banks have refused funding and there is a growing campaign for disinvestment from fossil fuels.

Yet, as John Quiggin asks, 'What do you do with a problem like Adani? ... Refusing approval would be a PR disaster'.⁷⁹ His tongue-in-cheek suggestion is to ask Adani to make a down payment on what they claim to be the proposed benefits.

However, the Department of Environment and Heritage Protection issued an environmental authority for the Carmichael coal mine on 2 February 2016. Its brief media release states, inter alia,

EHP is confident the strict conditions placed on the EA, including extra requirements based on the Land Court's recommendations, will ensure this mine will not pose an unacceptable risk to the environment and any potential impacts will be closely monitored.⁸⁰

On 3 April 2016, the Minister for Natural Resources and Mines Anthony Lynham announced the issuing of mining leases for the Carmichael project.⁸¹ The Premier said:

the approved leases had undergone 'extensive government and community scrutiny' and were a step towards securing jobs for region, with Adani estimating more than 5000 jobs expected to be generated during construction and more than 4000 during operation of the project. ... and I know the people of north and central

⁷⁴ Cox L, [Adani's Carmichael Mine is unbankable says Queensland Treasury](#), *Brisbane Times*, 30.6.14.

⁷⁵ Cox L, ['Queensland Labor backs Adani's Carmichael project'](#), *Sydney Morning Herald*, 1.7.15.

⁷⁶ Minister for State Development and Minister for Natural Resources and Mines, The Honourable Anthony Lynham, Media Statement; ['Galilee basin coal jobs come one step closer'](#), 18.4.15.

⁷⁷ Minister for Environment and Heritage Protection and Minister for National Parks and the Great Barrier Reef The Honourable Steven Miles, ['Swift action to protect the Great Barrier Reef'](#), 4.3.15.

⁷⁸ Manning P, ['The curious case of Galilee Basin coal'](#), *Crikey*, 6.8.14.

⁷⁹ Quiggin J, [What do you do with a problem like Adani?](#), John Quiggin blog.

⁸⁰ Department of Environment and Heritage Protection, [Adani's coal mine environmental authority approved](#).

⁸¹ Premier and Minister for the Arts, The Honourable Annastacia Palaszczuk and Minister for State Development and Minister for Natural Resources and Mines, The Honourable Anthony Lynham, ['Carmichael mine approval brings thousands of new jobs a step closer'](#), 3.4.16.

Queensland will welcome this latest progress for the potential jobs and economic development it brings closer for their communities.⁸²

Against this, the Australian Conservation Foundation said:

It could be seen as grossly irresponsible of the Palaszczuk government to issue the paperwork for the Carmichael coal mine, which will create millions of tonnes of climate pollution for many decades to come, when we can see the Great Barrier Reef is already being savaged by climate change.⁸³

The pressure of jobs seems to be winning out, in the thinking of Ministers, over the need for protecting the environment.

Mineral sand mining on Minjerribah/North Stradbroke Island

The ALP Government has been more decisive, even resolute, about dealing with mineral sand mining on Minjerribah. In 2011, the Bligh Government legislated for mining to end in 2019. The date was agreed between the Quandamooka people and the State Government as part of the settlement of native title. The intention was for 80% of the Island to become jointly managed national park. The mining company, Sibelco, and its public relations agency Rowland, mounted a very considerable 'corporate campaign' including political spending of over \$90,000 in Campbell Newman's Ashgrove electorate and funding the 'Straddie Mothers' campaign.⁸⁴ Its explicit object was to get the (then) opposition leader to publicly endorse 'continuation of Sibelco's North Stradbroke Island operations until 2027'. Newman did more: he delivered the necessary legislation allowing mining to continue to 2035. It is a matter of record that Sibelco provided a draft of the 2013 amendments to the Government, and the Bill itself had maps with the Sibelco logo on them. The extension of mining to 2035 was worth around \$1.5 billion in revenue to Sibelco.

Labor members voted against the 2013 amendments and made it clear that they would repeal them if the party returned to government. They clearly stated this before the 2015 election including a written commitment to the Quandamooka Yoolooburrabee Aboriginal Corporation (QYAC). In addition, the Quandamooka people took a High Court case against the State of Queensland arguing that the 2013 legislation was unconstitutional because it over-rode the Federal Court determination of Native Title and the associated Indigenous Land Use Agreement. The High Court case was stayed after the ALP Government took office.

The ALP Government acted on its commitment. A Bill to restore the 2019 closure date is before Parliament and was referred to the Finance and Administration Committee for consideration on 17 March 2016.⁸⁵ The Government has also reinvigorated an Economic Transition Strategy (ETS) for the Island commenced by the Bligh Government and added an adjustment fund for sand mining workers.⁸⁶ QYAC, the Straddie Chamber of Commerce and community groups took part in the development of the ETS in 2011-12 and again in 2015-6. Sibelco has not, to January 2016, commenced a corporate campaign as extensive and as expensive as in 2011. Nonetheless, arguments from 2011 are still being used to justify mining into the 2030s. One of the least subtle came from

⁸² [Adani's Galilee Basin project mine leases approved](#), *Sydney Morning Herald*, 3.4.16.
[Mining leases approved for Adani's project in Australia](#) *Hindustan Times*, 3.4.16

⁸³ 'Adani gains final approval for Carmichael mine', *Australian Financial Review*, 3.4.16.

⁸⁴ See Guille H, [Politics of mining on North Stradbroke Island](#), *Redlands2030*, 2104, and ['Economics of mining on North Stradbroke Island'](#), *Redlands2030*, 2104.

⁸⁵ For progress on this legislation see the [Finance and Administration Committee](#) on the Queensland Parliament website.

⁸⁶ Queensland Government Department of State Development, [North Stradbroke Island Economic Transition Strategy](#), December 2015.

the local Federal member for Bowman who predicted another 'Palm Island' of social instability if mining ended 'prematurely'. As with Adani, exaggerated claims are made about the number of jobs and about the economic contribution of mining.⁸⁷

While there are big issues about environmental damage from sand mining and there has been considerable hostility to 'greenies', this is not just a 'jobs versus environment' issue. The native title rights of the Quandamooka people are quite fundamental, as is their economic and community future. The ETS seems to be a serious effort to include the community in determining what kind of development they want. If so, it is a historic change for the Island following armed dispossession in the 1820s, eighty years as the 'out-of-sight, out-of-mind' depository for Queensland's aged poor and then sixty years of sand mining.

The current scheme is influenced by QYAC's objectives of environmental and community sustainability and autonomy and is built around numerous small activities rather than one 'big fix'. The development of the strategy has gone well beyond leaving matters to the market. There is plenty of unease and wariness but it could be a model for community-led development elsewhere. Perhaps, it is best seen as a 'work-in-progress'. This might also be an appropriate epithet for the one-year old ALP Government.

⁸⁷ See Guille H, [Politics of mining on North Stradbroke Island](#).

5 'Jobs, Jobs, Jobs': jobs now and jobs for the future

Howard Guille

This chapter considers some of the fundamental dilemmas for the Government about 'jobs'. Employment and unemployment statistics are measures at points in time of the effects of complex and dynamic forces on the supply of and demand for jobs and the supply of and demand for workers. Short-term variations come from changes in economic activity in Queensland, Australia and overseas; medium-term variations come from changes in the size and composition of the population and complex changes like the length of working life and women's participation in paid work.

Technology affects employment in the medium and longer term by altering production processes and creating new products and services. The transformations in processes, products and services wrought by information technology and computing are an example. Cultural, social and political contestations change what is socially and politically acceptable in work and industry. Such changes alter the labour market. Gender-based segregation and discrimination is one example; until the mid-1990s, it was legally permissible in Queensland to designate jobs as being for men or for women. The impact of environmental issues, including climate change, on jobs and industries is another cause of variation, rapidly becoming short-term rather than medium-term challenges.

State and National governments have a broad range of levers to pull which can influence employment and unemployment. However, deregulation reduces the effectiveness of government action as it gives more of the management of the economy to the market and business. A State government has little capacity to affect the short-term macro-economy since matters like the exchange rate, interest rates, trade and the fiscal balance are national. The State government can boost state-wide demand and more especially in particular places by funding public works and projects.

The Government leaves no doubt about the importance of employment.

Jobs now, and jobs for the future. That's what this Budget is about, and that's what it will deliver. The Government leaves no doubt about the importance of employment.¹

In the Premier's often-repeated phrase, the government is about 'jobs, jobs, jobs'. It has three policy elements. One is to stimulate job creation through 'pro-business' measures that boost development and economic growth. Another is the Skilling Queenslanders for Work program to expand vocational education and training (VET). The third is the Advance Queensland package aimed at creating 'the knowledge-based jobs of the future'.

While all three areas of policy have positive aspects, there are also contradictions and inconsistencies. Some are policy matters and some are political. An example of a policy matter described earlier, is the effect of outsourcing of TAFE courses. A political dilemma for an ALP government was that the policy objective of jobs was labourist but the delivery mechanism was neo-liberal. A socialist critique would point out that the Labor priority value of getting people into work was in danger of being contradicted by 'pro-business policies' that gave the investment market and the private sector more space and power to decide what and where development will occur, without any guarantee that these policies will necessarily deliver the numbers of jobs or that they will be 'good' jobs that will generate future prosperity.

¹ Media Statement, Premier and Minister for the Arts, The Honourable Annastacia Palaszczuk, 13.7.15.

The state of employment

The need for urgent action by the incoming Palaszczuk Government was created by the dominant policy priority of delivering an improvement in levels of employment. At the time of the state election in January 2015, the trend unemployment rate in Queensland was 6.6%, significantly higher than Western Australia (5.6%) and New South Wales (6.1%) and marginally lower than Victoria and Tasmania (6.7%) and South Australia (6.8%).² Youth unemployment in Queensland was slightly more than twice the overall level.³ There were also substantial differences in unemployment across the state.

Figure 5 shows the trend rate of unemployment in Queensland across the Bligh, Newman and Palaszczuk Governments. The vertical lines are the dates of change of government.

Figure 5



The unemployment rate went up to 6.0% in September 2012, was just under this for 2013 and then increased across 2014 to reach 6.6% in January 2015. In the first 10 months of the Palaszczuk government, the rate fell to 6.1%; there was also a small increase in the participation rate. The reduction in the unemployment rate in 2015 was greater than that for Australia as a whole, and the rate in Queensland at the end of 2015 was close to the national one of 5.9%.

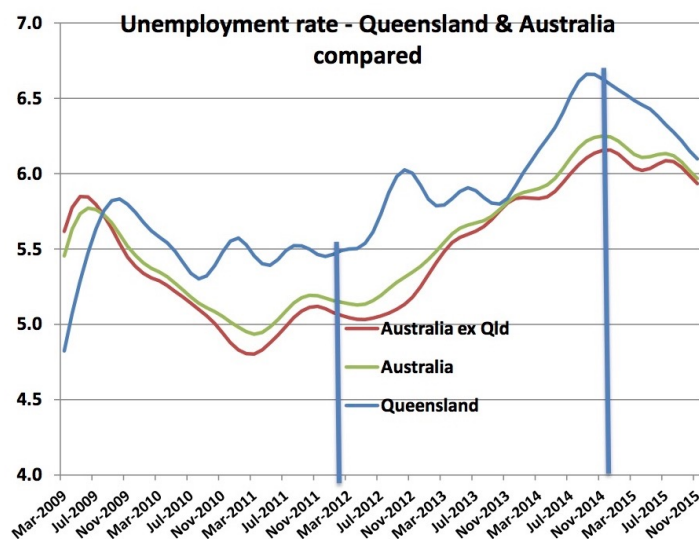
The Government is entitled to say the unemployment situation by the end of 2015 was better than when they were elected, though it is a much more open question whether they can claim credit. The unemployment data suggests that Queensland might be returning to the 'field' with changes in and levels of unemployment more like Australia as a whole.

Figure 6 shows the unemployment rate for Queensland, for Australia as a whole and for Australia without Queensland.

² ['Unemployment Rate, States and Territories, December 2014 and January 2015'](#), ABS, *Labour force: Australia*, Cat 6202.0, January 2015.

³ See data tables in Fabrizio Carmignani, ['The true state of Queensland's economy, without the spin'](#), *The Conversation*, January 13, 2015. Youth unemployment covers the 15-24 year old cohort.

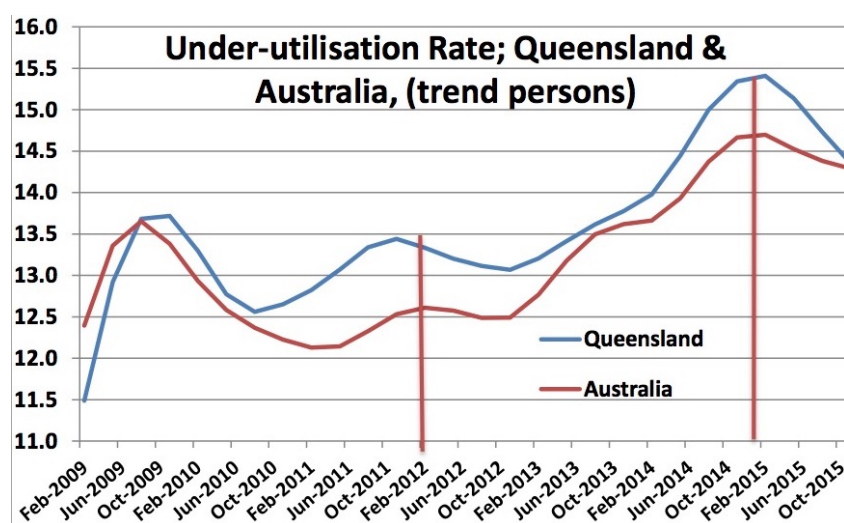
Figure 6



This graph identifies the periods when unemployment in Queensland deviated from that of Australia as a whole; these are when the graph lines either diverge or converge. One period was early 2011 – after the floods in South East Queensland and Cyclone Yasi in the Far North; another was the second half of 2012 with the Newman Government public service cuts; 2014 was another – with the down-turn in mining. During 2015, the unemployment rates have converged, showing unemployment falling faster in Queensland than the rest of the country.

Figure 7 compares the under-utilisation rates for Queensland and Australia. This is a more complete measure of unemployment calculated by adding the number of unemployed who are looking for work to the number of people working part-time who want more hours.

Figure 7



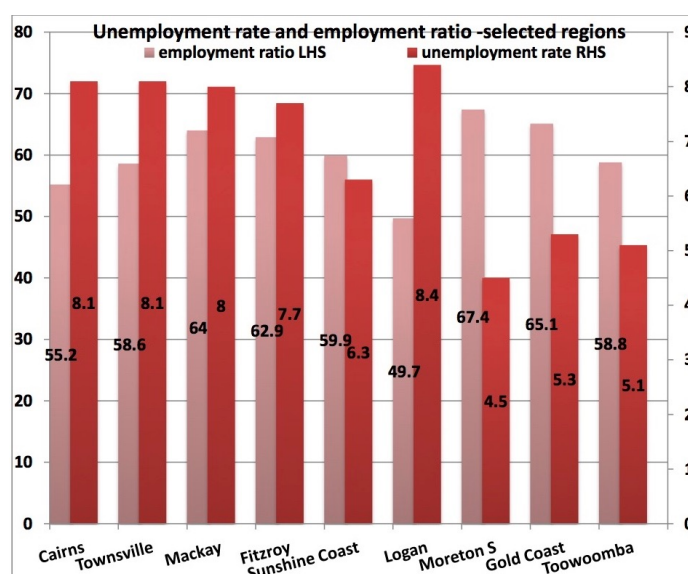
The scale of under-utilisation is the most prominent feature; in November 2015, 14.4% of the Queensland workforce, one in seven, was either looking for a job or wanting more hours. The only 'good' thing is that this is better than a year earlier when the rate was

15.4%. The under-utilisation rate in Queensland has diverged and converged with the national one in a pattern generally similar to that discussed above in regard to unemployment.

Unemployment was much worse among some groups and in some places. The unemployment rate of young people (15 to 24 years) was higher than for older people; in November 2015, 10.8% of young people in Queensland were unemployed; slightly less than twice the overall rate.

Figure 8 shows the employment rate and the unemployment rate averaged across 2015 for some of the statistical regions in Queensland. The employment rate is the proportion of the civilian population over 15 years who are getting wages or profit from working.

Figure 8



The differences are stark; in Moreton South region (the area of Brisbane south of the river) the employment rate was 67.4% and the unemployment rate 4.5%. These are the highest employment and lowest unemployment rates of any of the regions shown. In comparison, in the Logan region (adjacent to Moreton South) the employment rate was 49.7% and unemployment was 8.4%. Unemployment is also much higher, at 8.0% or over, in Cairns, Townsville and Mackay and Fitzroy (centered on Rockhampton). The employment rate in Cairns and Townsville was 12 and 10 percentage points respectively, lower than in Moreton South.

Unemployment was high overall and severe in some parts of the state. This means very hard times for those out of work and was a major cause of inequality, poverty and social exclusion. These underline the ALP Government's concern with jobs. Put plainly, unemployment was too high and employment was too low especially in disadvantaged areas of the South East like Logan and for coastal cities and regions north of Brisbane and the Sunshine Coast. With the punitively low Newstart federal benefit, employment, however insecure, was the only prospect for most unemployed people to get even a modest income.

Unemployment and its consequences were inflicted disproportionately on areas of majority Labor voting. When ALP politicians refer, however rhetorically, to 'Labor values', jobs, employment and fair wages and conditions are never far away. 'Labourism', as a political philosophy and program of the ALP, rests, at its most basic, on full employment and economy-wide industrial conditions underpinned by arbitrated awards and union-

negotiated agreements. Francis Castles called this a distinct Antipodean model of 'the wage earners' welfare state'.⁴ It fits with the structure of Labour politics where unions and the party are, respectively, the industrial and electoral arms of the Australian Labour movement but affiliated unions are also part of the party. This link continues despite the decline in full-time, permanent employment.

Governments can encourage and facilitate private sector development through a range of measures including incentives, tax holidays, access to land and infrastructure and fast-tracking approvals. There is a long record of Queensland Government assistance to corporations such as Virgin, Boeing and Fisher & Paykel, football teams (for example, NRL teams in Brisbane and Townsville) and sporting and cultural events.

In one instance in 2014, the Government slashed payroll tax as an incentive for the film *Pirates of the Caribbean* to be made in Queensland. The relevant Minister said it would bring 1,000 jobs (some but not all for Queenslanders), but 'commercial-in-confidence arrangements meant he could not say how much Queensland's payroll tax exemptions were worth'.⁵ The contest between states for development projects and sporting and arts events is intense and secretive and the Beattie Government attracted opprobrium when it refused to join other states in stopping bidding wars.⁶

Policies on training and job creation

Education and training and work-force development is another set of employment policy levers and these are a large part of the current Government's approach. The ALP's employment policies announced in the election are shown in the box below.⁷

Labor's employment policies

- Restore Skilling Queenslanders for Work program
- Establish Jobs Queensland for industry advice on skills needed
- Advance Queensland policy focusing on innovation and local technology
- Ready for Work program to help young people find work
- 25 per cent payroll tax rebate for apprentices

These have been introduced. *Skilling Queenslanders for Work* was the single largest new spending item in the 2015 State Budget with \$754 million over four years for vocational education and training, apprenticeships and advanced training. It included the *Ready for Work* program that funds community organisations to provide job search and related assistance for 15-24 year olds who are disadvantaged.⁸ *Jobs Queensland* was established as an independent authority to provide strategic industry advice on skills demand and long term workforce planning.⁹

⁴ Castles F, *The working class and welfare: reflections on the political development of the welfare state in Australia and New Zealand, 1890-1980*, Wellington: Allen & Unwin, 1985. See also Deeming C, 'Between Worlds: Australian Social Policy and Welfare Reform', Social Policy Association 2010 Conference.

⁵ '[Pirates of the Caribbean movie confirmed to film in Queensland](#)' *Brisbane Times*, 2.10.14.

⁶ See discussion, Centre for Policy and Development Systems, '[Buying Industry](#)', 2004.

⁷ '[Palaszczuk details Qld Labor's jobs plan](#)', SBS, 7.1.15.

⁸ Queensland Government, Department of Education and Training, '[Ready for Work](#)' program.

⁹ '[Palaszczuk Government delivers on Jobs Queensland commitment](#)' Media Statement of the Attorney-General and Minister for Justice and Minister for Training and Skills, 29.10.15.

The *Advance Queensland* package received \$180 million over four years in the Budget. In the Premier's words, this 'will deliver jobs now, and create the jobs of the future'.¹⁰ According to the program web site 'it is designed to create the knowledge-based jobs of the future, drive productivity improvements and build on our natural advantages'. It has three parts: developing, attracting and retaining 'world-class talent both scientific and entrepreneurial'; new industry/research collaborations, focusing on 'translations' (that is commercial products); and a 'Business Investment Attraction package'.¹¹

'Pro-business' policies were a central part of the policies on jobs. The 2015 Budget Papers stated that:

An important focus of the Government's further employment policy development will be on creating the economic environment and conditions to encourage business and industry to develop, invest, grow and innovate.¹²

The December 2015 *Mid-year Fiscal and Economic Review* (MYFER) was more explicit: 'The Budget was unashamedly pro-business and pro-jobs'; there is almost a mantra 'Delivering certainty through no new fees, taxes or charges, and no change to royalties'.¹³ Two extracts from the Business and Industry Portal below summarise the pro-business approach and show how land and labour are packaged for business.¹⁴

In this guide:

1. [Benefits of doing business in Queensland](#)
2. [Queensland's pro-business economy](#)
3. [Queensland Government support for business](#)
4. [Land for industrial development](#)
5. [Low business costs in Queensland](#)
6. [Queensland's highly skilled workforce](#)
7. [Queensland's reliable infrastructure](#)
8. [Innovation, research and development in Queensland](#)
9. [Queensland's idyllic lifestyle](#)
10. [Invest in Queensland video](#)

 [Print entire guide](#)

Queensland's pro-business economic environment and forecast growth offers investors a safe, long-term investment climate within a stable and resilient economy.

By relocating to Queensland, you will benefit from:

- a competitive tax environment
- a growing, diverse economy
- solid population growth.

¹⁰ Media Statement of the Premier and Minister for the Arts, The Honourable Anastacia Palaszczuk Monday, 13.7.15.

¹¹ Queensland Government, '[Advance Queensland: Jobs Now, Jobs for the Future](#)'.

¹² Queensland State Budget 2015-16, '[Jobs Now, Jobs for the Future: Queensland Government employment plan](#)'.

¹³ Queensland Treasury, [State Budget 2014-15 Mid-Year Fiscal and Economic Review](#)

¹⁴ Queensland Government, [Business and Industry Portal](#).

Some overall considerations: limits to training

The Government's objectives about jobs were commendable especially the efforts to assist the already marginalised. The aims of *Skilling Queensland* are:

The initiative is designed to boost the skills of individuals and provide assistance to those Queenslanders that require support to enter and stay in the workforce. SQW [Skilling Queensland for Work] provides training to people who are under-utilised or under-employed in the labour market, as well as building the skills of young people, Aboriginal and Torres Strait Islanders, people with disability, mature-age job seekers and people from culturally and linguistically diverse backgrounds.¹⁵

The target over four years was to help 32,000 people into work through 'tailored support, inclusive services, literacy and numeracy skills, job preparation skills, work placement training opportunities and subsidised work placements'.¹⁶

However, parts of the training and innovation policies were weaker and might prove less effective.

In summary, some of the issues are :

- Increasing the skill and qualification levels of the potential work-force does not necessarily lead to more jobs. Instead, there might just be a 'churning' of the work force with skilled new entrants displacing unskilled workers. There might be some productivity improvement but probably just as much inflation of qualification levels to do the same work.
- The most substantial skill deficiencies are in the currently employed work force. Some are quite basic and shocking; for example, over half the current work force do not have adequate literacy and numeracy to meet everyday requirements.¹⁷ This limits the capacity to innovate in existing workplaces and increases the difficulties facing workers in changing jobs especially in mass closures and redundancies.¹⁸
- Skills deficiencies in the Queensland workforce are not the product of an overall low training effort but more a question of how work is organised. This was emphasised in the mid-2000s in the 'Smart State' strategy.¹⁹
- The use of skills in the workplace is much more critical than the amount of pre-entry training and education. As a Queensland Government Green Paper said in 2005, 'Many current workforce management practices unintentionally exacerbate skills shortages'.²⁰ John Buchanan makes a similar point that 'skills shortages are not so much supply side failures as the end result of workforce development regimes that have left few resources, especially time, for the development of practical know how on the job'.²¹
- There are large skills deficiencies in the associate professional and trade occupations that are crucial to flexibility and innovation. Education and training in these areas is expensive and needs linking to actual work. It is not suited to

¹⁵ Queensland State Budget 2015-16, '[Jobs Now, Jobs for the Future: Queensland Government employment plan](#)'. p.23.

¹⁶ Queensland State Budget 2015-16, '[Jobs Now, Jobs for the Future: Queensland Government employment plan](#)'. p.22.

¹⁷ See Queensland Government Department of Education, Training and Employment, [What's happening with language, literacy and numeracy in vocational education and training \(VET\)?](#)

¹⁸ Riddle S, '[The future for Ford workers: literacy will be key](#)', *The Conversation*, 24.5.13.

¹⁹ See Queensland Government, Department of Employment and Training, [Queensland's proposed responses to the challenges of skills for jobs and growth: A Green Paper](#), 2005.

²⁰ [Queensland's proposed responses to the challenges of skills for jobs and growth: A Green Paper](#), 2005, p.7.

²¹ Buchanan J, '[A new model for fairness in employment](#)', *Australian Options* 76, May 2014.

'modular' programs that dice and slice qualifications and 'reforms' in the delivery and funding of training accentuate the problems.

Competency-based training has become the standard in VET since the 1980s. This was very much at the demand of the industry partners and while it might suit trades jobs it is less adequate for the majority of the workforce. As Peter Henneken says:

VET programs need to focus on underlying theory and skills, so workers can adapt to inevitable change. Workers need to learn problem-solving, communications and team skills so that they can contribute to the productivity agenda.²²

The biggest improvements to the overall skills of the workforce come from dealing with the skills deficiencies of those already working. As Toner says, 'It is as much about business development and good workforce management as it is about training'.²³ Similarly, the solution to unemployment is not to get VET and universities to pump out more students. At best, the need to import workers on 457 visas is reduced. At worst, the average qualifications level of the pool of unemployed is lifted.

More generally, the challenge is to integrate education and training with the reality of how people transition at numerous times across their lives between work and other pursuits. Furthermore, the organisation and management of work must enable workers to use and expand their skills and capacities. Education and training is not friendly to potential adult users and this is exacerbated by overlapping and dysfunctional competition between universities and VET (especially TAFE). As described earlier, the Government could ease some of this by finding practical measures to make an integrated tertiary education system better fit with how people transition between work and other pursuits. Current distinctions between VET and university are hard to understand except as the outcome of vested interests. A review is required to examine how to use the skills of TAFE in undertaking and commercialising research. It should also examine how to use university teaching to broaden and deepen the learning in VET qualifications.

What kind of jobs?

While the sheer level of unemployment might make the creation of additional jobs seem imperative, the quality of jobs is still important. Some characteristics of employment in 2015 are:

- Lack of permanence is common across the private and public sectors, most industries and all classifications. Deregulation and globalisation have exposed all workers, even in ostensibly non-trade exposed sectors, to market forces. This is shown by the frequent recourse to redundancies and forced separations in areas such as mining, processing industries like meat and sugar, tertiary education, finance and information technology.
- High proportions of workers are employed in insecure ways including casual, fixed term, contracting, labour-hire and unpaid internships.
- The spread of pay and conditions across the work force has widened with a hollowing-out of the centre. Senior executives can get very high rewards while an increasing proportion of workers are at or around the minimum wage.

These changes have removed the 'good working conditions' aspects of the labourist program of full employment and good conditions. I have suggested elsewhere that a

²² Peter Henneken, [Key policy issues in Vocational Education and Training](#), TJRyan Foundation, Research Report No 4, 2013.

²³ Eddington N & Toner P, [Skills Formation Strategies in Queensland: A Skills Shortage?](#), OECD Local Economic and Employment Development (LEED) Working Papers, 2012/07, OECD Publishing, 2012.

comprehensive *Employment Rights Act* is needed to improve the lot of temporary and insecure workers. The Government could make employer access to training and labour market assistance conditional on increases in permanent rather than temporary jobs. This is especially important in emerging industries and in research as these are dominated by insecure employment arrangements including for technical and administrative staff who provide the functional 'spine' of such places.

The Government could also require *employment impact statements* for major new projects and redundancy situations where job losses would have significant social and economic impacts. For new projects this would emphasise sources of workers and how to maximise local skills development. For closures, the emphasis would be on how to provide training and education and new job opportunities for current workers and new entrants to the workforce. A critical part would be to coordinate transitional assistance including alternative uses of the plant and facilities for productive or community use.²⁴

How smart is the Smart State?

Much of the discussion about education and training applies to *Advance Queensland*, a modification of the Beattie-Bligh era *Smart State* agenda. Historically, Queensland has had a narrow economic base with manufacturing being a small sector concentrating on food and mineral processing. Regional economies have been especially narrow and dominated by a single industry and often one firm. The level of inter-state and foreign ownership and control has been high with few of the large companies having headquarters in the State.

Smart State claimed successes especially in the glass and steel of new research institutes on university and hospital campuses (not just bricks and mortar as in new Prep Year school facilities). There are four so-called Smart State Institutes at the University of Queensland. Allen Consulting²⁵ claims the university got substantial benefits from them but there seems to be little comparative evaluation either with other states or with what might have been achieved by allocating the money elsewhere. It is clear there was a lot of opportunistic behaviour in establishing the Institutes and that Commonwealth funding from the Howard Government's *Backing Australia's Ability* plan seems to have been 'quite influential', especially in terms of locking in philanthropic contributions.²⁶

In 2011, the Queensland Chief Scientist reported that the Queensland Government had invested approximately \$4.9 billion under the Smart State banner since 1998. This had leveraged a further \$3.3 billion from other sources. This had 'built here in Queensland the beginnings of some serious critical mass at the research end of the spectrum'. However, the proportion of students studying science in year 12 had almost halved.²⁷

Chris Salisbury points out that '*Smart State*' as a slogan for 'selling' Queensland was at least as successful as '*Sunshine State*'.²⁸ Bradley Bowden is more caustic and says that Smart State had limited success which rested on 'taxpayer subsidies and cash handouts

²⁴ Guille H, [What Work Rights are Still Worth Fighting For](#), TJRyan Foundation Research Report 2, May 2013.

²⁵ Allen Consulting Group, 2011 quoted by Dodgson M and Staggs J '[Government policy, university strategy, and the academic entrepreneur: the case of Queensland's Smart State Institutes](#)', *Cambridge Journal of Economics*, 2012.

²⁶ Dodgson & Staggs, op cit.

²⁷ [Queensland Chief Scientist Annual Report](#), 2011.

²⁸ Salisbury C, '[Queensland: the Slogan State](#)', Queensland Historical Atlas. For more detail see Salisbury C, 'Farm and quarry or Smart State? Queensland's economy since 1989', *Queensland Review*, vol 18, no 2, 2011; and Salisbury C, [Policy Paper - Response to the ALP's 'Advance Queensland' Issues Paper](#), TJRyan Foundation.

to politically powerful interest groups'.²⁹ It seems that universities were at the front of the pack – especially the vice-chancellors of the three largest institutions in Brisbane.

Advance Queensland will have some successes – though it is unlikely to win the slogan stakes. Measures to help post-graduate students and early career researchers are welcome but Government ought to be more demanding in requiring research institutes and universities provide permanent employment. The emphasis has been heavily on pharmaceuticals and medical treatments (finding a new drug, vaccine or gene therapy) and on niche areas in information technology, games and 'apps'.

There could be a strong ethics panel separate from the universities and research organisations, such as existed in the early days of the Smart State initiatives, particularly with reference to biotechnology research. Some comparison is also in order as to whether the same investment in arts, crafts or sport might yield better returns for the community; this might bring in the VET sector and be an antidote to automatically seeing medical science as valued above all others. It might also avoid simply replacing 'big coal' with 'big pharma' as the effective controller of the Queensland economy. Given that Premier Palaszczuk has taken on the Arts portfolio as did Premier Bligh before her, this might be a topic for wider conversation, just as Smart State ended up being linked to major curriculum initiatives well beyond the original priorities of the program.³⁰

Shaping the market, not relying on it

The Queensland Government, like other Governments over the past three decades, had almost entirely abandoned efforts to shape economic development. Instead, the hope was that a few supply-side measures and a few incentives would encourage business and the market to produce 'economic growth'.

There are three corollaries. One is that economic growth becomes almost the only criteria for success. As a US Secretary of Commerce is reputed to have said when opening a 'chip factory' – 'potato chips or computer chips what's the difference!' A second corollary is that the community has little opportunity to debate, let alone influence, the sort of economy they want. The third corollary is that Government becomes hostage to the developers and investors it has 'attracted'. The ructions which continued into early 2016 about Queensland Nickel are an extreme example of this.

Queensland Nickel, owned by Clive Palmer MP, sacked over 800 workers, put the business into voluntary administration and very publicly pressed for government assistance. In turn, both the State and Commonwealth Governments hinted that the crisis was contrived and said Palmer refused to show them the books. Nickel is one of the most volatile of mineral commodities. The 2015 global nickel price was the lowest since the 1970s and the industry is one where the income of the boom must be used as a cushion to get through the lows.³¹ Meanwhile, the workers were the losers, without jobs and possibly without their entitlements.

Given the characters involved, a measured solution at Queensland Nickel may have been impossible. Even so, the question of how to handle transitions should be a central feature of active and effective policies. This means getting better at planning the new

²⁹ Bowden B, 'How Smart Now? The Bligh Government and the Unravelling of the 'Smart State' Vision, 2007–11', *Queensland Review* vol 18, no 2, 2011.

³⁰ The curriculum changes did not necessarily meet with favour from education academics. Adie, for example, says that 'Queensland schools are now becoming more firmly aligned with the business interests of a deregulated industry competing for funding, resources, labour, and viable and sustainable product.'

Adie, E. (2008) [The hegemonic positioning of 'Smart State' policy](#), *Journal of Education Policy* 23 (3), 2008, pp.251-264.

³¹ ['Answers needed from Palmer over Queensland Nickel collapse'](#), *Australian Mining*, 21.1.16.

and getting out of the old. It is a political task that fits perfectly with traditional Labor values.

6 Politicians, judiciary & police: separation of powers

Roger Scott

Coping with the independence of Parliament

As stated in the Introduction, a government's capacity to respond to policy changes is shaped by its relationship with institutions capable of holding it accountable for its actions. These included the Parliament as the primary constitutional link between the Ministry and the electorate, specialist oversight bodies dealing with issues of crime and corruption reporting to Parliament, and the judiciary with its special connections with the police and with the courts.

The first opportunity for Palaszczuk to exhibit her political leadership skills came immediately after the election results were known – to establish her right to rule in the context of a 'hung parliament' and the continuing uncertainty of her support. The closeness of the election result meant that Palaszczuk had to negotiate with the independent member, Peter Wellington, who was prepared to be appointed Speaker. Wellington, widely respected for his integrity, had his own list of priorities not always shared by the ALP, especially a Bill of Rights which promised to inhibit the freedom of ministers in the future.

The Speaker's one vote was enough to claim majority support. As a safety net, which quickly became necessary, discussions were also undertaken with the two members elected from Katter's Australian Party (KAP), Robbie Katter (Mt Isa) and Shane Knuth (Dalrymple in northern Queensland - formerly Charters Towers). The aim was to provide a stable majority on the floor of the House without recourse to the casting vote of the Speaker. Although the KAP was ideologically conservative and especially protectionist over rural interests, the members had been treated with disdain and occasional hostility when Newman was in charge with such a dominant majority. It was probably for this reason that Katter indicated that he and Knuth indicated that they would accept the mandate of the election result and would, subject to conditions specified in a written agreement with the ALP, not challenge the ALP's 'right to supply'. They indicated that they would review the actual behaviour of the Palaszczuk government after 90 days and review their original decision.

The independence of Billy Gordon, Member for Cook

Long before the ninety days were up, the hand of KAP was strengthened when ALP member Billy Gordon was required to resign from the party. However, he declined to respond to calls at various times through the year that he should resign from his seat and thus renew his mandate to hold office as an independent.

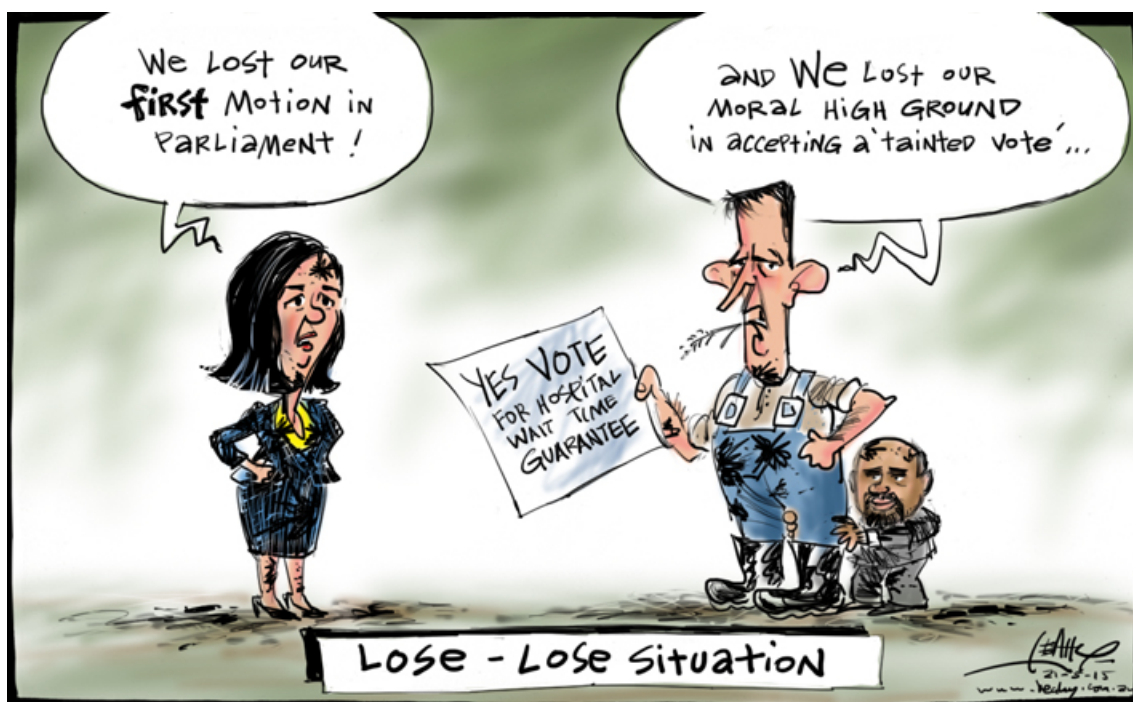
Gordon's election for the north Queensland seat of Cook was lauded as 'a great step forward' for Indigenous Queenslanders. His election – alongside Leanne Enoch who won the seat of Algeester in South Brisbane – was the first time two Indigenous candidates had been elected to the Queensland Parliament in the same election. Gordon had previously been endorsed as a candidate for the federal seat of Leichardt in 2013. His 'rags to riches' story from cane-cutting origins, then labouring, TAFE lecturing, and army reservist created such a positive aura that he was able to proclaim in an early interview an interest in ministerial office (either Indigenous Affairs or Transport).

Within weeks he had been ejected from the ALP (but not Parliament) after it emerged that he had concealed from the party that he had a criminal record for minor offences in

his youth. This ejection meant his vote could not be taken for granted by the ALP but Gordon's apologetic statement to Parliament suggested that he intended to remain sympathetic to the aspirations of the party and the working class. Within another month, he was accused of domestic violence by former partners and of unpaid child support payments. Finally, there were accusations of sexual harassment by sordid 'texting'. The Premier rapidly moved to refer these allegations to the police while the local newspaper regaled its readers with intimate details.¹

Not unexpectedly, Gordon declined to resign and waited out the police investigation which eventually decided there was insufficient evidence to bring charges. This hiatus left Gordon free to negotiate from a position of strength by making common cause with the less censorious pair in the KAP, forming an informal north Queensland alliance based on the contiguity of their constituencies and rural interests. He developed his own 'shopping list of demands' to match those of KAP, retaining discretion to differ with KAP on issues he regarded as integral to his former ALP persona. Areas of agreement included specifically disowning the ALP manifesto on high profile issues such as regulating the opening hours of pubs and clubs; on other issues he voted against, and then for, the ALP at different stages of the same legislative process.

Gordon's unpredictable behaviour placed the Government in the invidious position of having ejected Gordon from the ALP on moral grounds but then needing to secure his vote and to respond to his policy agenda. The Government had to negotiate with Gordon to ensure legislation could pass through a Parliament in which the Opposition could constantly accuse the ALP of hypocrisy, except when it welcomed his support.



A later cartoon by Leahy had Gordon painting himself into a corner but this misrepresented the balance of power. For as long as he did not have to face the voters of Cook again, he was free to do as he pleased. The lesson from the problem of dealing

¹ This reprised a 'plonking' texting scandal by a former LNP member for the Brisbane seat of Redlands. On both occasions, sub-editors and cartoonists could not resist the double entendre with headline and cartoon references to 'dishonourable members', 'member exposed' and the like.

with an expelled member was not lost on the Premier when similar accusations of misconduct were levelled at another new back-bencher in a sustained campaign by the *Courier-Mail* over several days in June which it christened 'The Rick Williams File'. Williams was stood down from the Parliament's Legal Affairs and Community Safety Committee through fears about conflict of interest but retained his seat and his party affiliation for the duration of the police investigation.

An ill-judged intervention by the Police Minister during these police proceedings led to an apology by Minister Miller to Parliament for her 'temporary brain-snap'. However she continued in the public eye by appearing to mislead Parliament about her handling of confidential documents and her dramatic conduct inside the House and in a dispute with the Mayor of Ipswich. In the face of criticism from her own factional supporters, she indicated that she would not seek a reappointment in the Cabinet reshuffle scheduled for the new year.

The independence of Katter's Australian Party

If Gordon was an object of attention while standing in the wings, Robbie Katter frequently took centre stage in Parliamentary proceedings. His quiet determination and capacity for informed exchange of ideas created a public persona quite different from that of his father, who had had a long career in both the Queensland and Federal parliaments, and was still federal member for the Queensland seat of Kennedy.

Given the uncertainty about Billy Gordon's vote, Katter was able to exert immense pressure on both the LNP Opposition and the ALP Government to implement what must have seemed an unlikely 'wish list' mainly drawn up with his core supporters in mind. With his bargaining position increased by forming a 'Northern Alliance' with Gordon, he produced specific proposals, set deadlines and expected serious outcomes.

On August 16, 2015, both the *Courier-Mail* and the *ABC* reported that the KAP had delivered a final ultimatum for implementation of the list of requests to both parties submitted immediately after the January election.²

The document started with seven structural changes: an 'Action Council' to restore cost recovery pricing to lower electricity costs; a 'Development Commission to implement the Galilee Rail Line and ethanol production', a 'Reserve Resource Policy', an 'Industry Development and Debt Reconstruction Board, statutory marketing authorities for sugar and milk, a Commission of Inquiry into government corruption in Queensland; and recognition of Party status resource entitlements.

This was followed by 14 policy demands focused on support for rural and regional needs, in procurement policies, an 'enhanced Royalties for Regions' program, 'co-operatively-owned initiatives in water and agriculture, favoured over corporate/foreign ownership'. Some were very specific, relating to cattle disease control, rescue helicopter services and removal of flying foxes; others were wide ranging, such as the abolition of public service sackings, restraint on land vegetation management changes, '100% FIFO mining to be banned' and 'the establishment of freehold title deeds for First Australians'.

Finally, there was a list of seven projects of national/state significance, which specified particular road routes, rural health and water supply services, heritage grants, rural education ('all towns without a high school to be provided with year 7 as a minimum') and support for the upstream weir and meatworks at Charters Towers, and reforms to allow the continued operation of the Mount Isa Copper Smelter.

² ['Katter's Australian Party issues ultimatum to Palaszczuk minority Government'](#), ABC, 16.8.15.

The Palaszczuk Government decided that allocation of infrastructure resources could be partially accommodated and there were also generous provisions inside Parliament itself for the two MPs and their expanded staff to offset resistance to formal declaration of KAP to full Opposition Party status. Others were more difficult to provide without major changes in economic management – away from prevailing assumptions in both parties about the virtues of deregulation and the efficiency of market forces. The KAP was clearly the most socialist of all parties in Queensland on issues related to centralised planning structures and regulatory industry protection. Other demands could be incorporated in wider policy initiatives on the nature of public employment and on the review of Fly-in-Fly-Out mining shifts.

Of other issues on the list, mandating ethanol was one where a number of interests coincided, including those devoted to carbon emissions reduction. Mandating this had been tried in the past (at the high range of 10% suggested in the KAP list) and had proved unpopular with motorists for a variety of technical and psychological reasons. But by 2015 opinion had shifted, and mandating was common in other states, and at much higher levels overseas. Katter had drafted a Bill earlier and failed to make progress when the LNP was in power. This time he had more success because both major parties wished to maintain the loyalty of their followers in the sugar industry electorates in North Queensland. While the figure of 10% was rejected, the ALP offered first 2% then 3% for implementation within a year of the passage of the legislation, then accepted an amendment by Katter during the debates which raised the starting level to 4%.

Opponents of the change were shut out of the debate by this outburst of bipartisanship, with its gentle overlap with environmentalism. The requirements of the oil industry, the service stations which were required to stock and sell this fuel and motorist organisations were all disregarded, along with warnings about the likely increase in costs and inconvenience for those who preferred not to use ethanol in their vehicles. A spokesman for the RACQ reportedly called the move ‘a triumph of politics over policy’.³

Katter also enjoyed a victory which might prove transitory and was potentially embarrassing to some members of the LNP – the Liberal element who remain pledged to the free trade agreements and competitive commodity markets espoused nationally. The Nationals had a history of supporting protectionist marketing devices.⁴

The first topic for implementation on Katter’s list related to regulation of the sugar industry. Sugar in the 1980s and into the 1990s was regulated by both state and federal governments. It was the Beattie Government that abolished the single selling desk. The Howard Government deregulated price arrangements in 2006. The *Sugar Industry (Real Choice in Marketing) Amendment Act 2015* was one of the last pieces of legislation to pass in the 2015 Parliamentary year. KAP was supported by the LNP and Gordon, who referred in debate to his grandfather’s role as a cane cutter in the industry. The Bill aimed to provide choice for growers about where and how their crops were milled, and what price would be obtained. The goal was to break the monopoly of three companies, dominated by foreign investors, who had taken over the trade when it had been de-regulated. The legislation broke a deadlock between the three companies and the producers which had lasted several years; it effectively re-regulated an industry which had moved to market-linked pricing.

The association of mill owners, some in private hands and some in community control, sought a compromise to head off the legislation which they believed would deter future

³ ‘Ethanol mandate on fuel wins bipartisan support in Queensland Parliament’, ABC, 6.5.15.

⁴ Doctorates have been written on Queensland marketing boards for a range of commodities - including potatoes, onions, peanuts, wheat and wool.

investors in the industry, impose additional red tape and discourage investment. In a letter published in the *Courier-Mail* they pointed out that 'the Queensland Productivity Commission expert assessment has highlighted the risks that the Katter Bill poses to the industry. It found the Bill would lead to higher industry costs, costly court challenges and risk Queensland's reputation as a good place to invest'.⁵

The leader of the Opposition, Lawrence Springborg, was quoted as saying that 'the Bill was a mechanism to ensure growers had options when it came to marketing sugar and would enhance the competitive environment'.⁶ Hardly anyone agreed with him. The editorial of the *Courier-Mail* argued that 'sugar regulation is antiquated nonsense' and lavished unusual praise on the Premier who was 'spot on in opposing this retrograde step, and arguing it poses a serious trade and investment risk'. The paper was expecting that 'she would immediately follow through in her vow to refer it to the Australian Competition and Consumer Commission for evaluation'. The editor deplored the fact that the LNP had been captured by this nonsense and was astonished that otherwise sensible and seasoned politicians like John Paul Langbroek and Tim Nicholls had fallen into line with 'the protectionist recidivism of the Katters'.⁷

Low rumbles of discontent about Springborg's leadership were reported from time and time and then faded away in the light of encouraging LNP polling. Columnists suggested that this short-term victory might prove pyrrhic in the longer term, strengthening the hand of Brisbane-based malcontents when the LNP seemed to be losing its gloss.

Katter, Gordon, and curbing drunken violence

The informal alliance with Gordon was more significant in relation to a Bill to strengthen controls over alcohol-fuelled violence by restricting opening hours of pubs and clubs and imposing other controls over late-night drinking. This compendium of measures featured strongly in the ALP's election manifesto, driven in particular for being the reason why surgeon Anthony Lynham decided to enter politics. It was predictably resisted by those in the liquor industry and the owners of clubs and entertainment venues which relied on heavy spending after midnight. The LNP had deferred to these interests in restricting its own earlier legislation to improving safe drinking education and increasing police numbers to preserve order without diminishing the citizens' rights to drink where and when they chose.

The KAP suggested that northern Queenslanders needed late night venues because they finished work late to avoid tropical daytime heat. Gordon had spoken before the election in support of ALP policy and the need for tougher alcohol management in indigenous communities in his electorate. But on this issue he made common cause (after the election and his expulsion from the ALP) with the 'north Queensland caucus' as well as the LNP. The result was protracted discussions with Gordon and suggestions of amendments as the legislation made its way through Parliamentary processes. The issue remained deadlocked at the end of 2015 and the legislation was sent off for further examination by the relevant Parliamentary committee after press releases sent signals of compromise: 'Lynham in hint at deal over lock-out bid', 'Gordon spells out his demands to support new liquor laws', and 'Cross-benchers hint at tweaks to lock-out laws'.⁸

⁵ *Courier-Mail*, 30.11.16.

⁶ *Courier-Mail*, 3.12.16.

⁷ *Courier-Mail*, 2.12.15.

⁸ 'Lynham in hint at deal over lock-out bid' (*Courier-Mail* 29.10.15), 'Gordon spells out his demands to support new liquor laws' (*Courier-Mail* 3.11.15) and 'Cross-benchers hint at tweaks to lock-out laws' (*Courier-Mail*, 10.11.15).

In early January 2016, the campaign for change was re-energised by public and media responses to another one-punch killing, which took place at a time and location which the legislation sought to regulate.⁹ When the legislation returned from the committee stage, it was hamstrung by deadlock between LNP members and ALP members. The Premier made it an issue of high salience without going so far as to regard it as a cause for an early election and she hammered away at the discrepant views between the liquor, club, tourism and music industries on the one hand and the medical profession, police, researchers who had examined the situation in other states and many in the local community. Gordon and the LNP proclaimed their unwillingness to budge – Gordon arguing that there was a need for more discussion and in particular the need to recognize different cultural habits in North Queensland, a distinction also supported by the two KAP members.

The Premier chose to delay a vote in parliament in its first sitting week in February to allow further discussions in what appeared an unpromising environment. The LNP made it clear that it would not be interested in any compromise but the KAP surprised many observers by moving in protracted negotiations from obduracy to deal-making. It won several concessions: some related to the specifics of timing in the proposed changes and the need to evaluate their impact; some were more clearly unconnected ‘pork-barrel’ issues relating to drought relief funding and other support for their rural constituents.

The upshot of all this was that Katter had successfully amended a major plank in the ALP platform which had as much relevance to indigenous communities and Mt Isa as to the night club districts of Fortitude Valley and Surfers Paradise. The staging of implementation processes and provisions for review were welcomed in the media and in public opinion polls. There was continuing hostility from those directly affected by the changes, including the patrons of late-night clubs, the staff who served them, and the musicians who entertained them, as well as entertainment and liquor industry interest groups. The political consequences will doubtlessly be felt in the next election campaign but it was a signal victory both for the Premier and for the KAP’s political pragmatism.

Chris Salisbury suggests that the tensions of dealing with independents and party recalcitrants is typical of the travails of minority government. He notes that Queensland has significant recent experience with this phenomenon, pointing to Peter Beattie’s experience as Premier in 2001 when he had to cope with party resignations over branch-stacking, including Deputy Premier Jim Elder, and to LNP Premier Rob Borbidge weathering a vote of no-confidence in his Attorney-General in 1997.¹⁰ So Palaszczuk follows in an increasingly frequent trend of leaders of minority regimes surviving and even promoting changes within Parliament itself.

Discussions about changing the rules

Donations

A significant amount of activity of Parliament during Palaszczuk’s first year was focussed on rectifying the perceived errors or abuses of the Newman years. Many of these changes were signalled in the ALP party manifesto and had been articulated earlier in the original debates on the measures. The highest priority was accorded the changes in the legislation regarding declaration of donations, with the ALP reducing the threshold back

⁹ [KAP forms alliance with newly-Independent Billy Gordon](#); ABC, 5.5.15; [Billy Gordon lockout laws don’t benefit Far North Queensland](#) *Brisbane Times*, 25.10.15; [Looks like Queensland’s about to get the strictest alcohol laws in the country](#), *Faster Louder Junkee*, 10.11.15; [Premier knocks back deal with Billy Gordon lockout laws](#), *Brisbane Times*, 3.11.15.

¹⁰ A motion of no confidence was passed in the Parliament against Attorney-General Denver Beanland over the fiasco of the Carruthers and Connolly-Ryan inquiries. Beanland, with Borbidge’s support, refused to resign.

to where it existed pre-Newman. It then sought to legislate retrospectively to make this effective at the date when they had articulated their position in Parliament.¹¹

The LNP declined to backdate its disclosures, claiming it had met the record-keeping requirements effective at the time the donations were received. There was a vigorous exchange between the parties with Springborg accusing the ALP of using its numbers to gain revenge. Paul Williams, a regular and influential commentator with the *Courier-Mail* wrote that he was stunned at this LNP resistance after its refreshing admission that it had not always behaved sensibly when in office. He pointed to earlier polling evidence that the party's standing had been damaged by its tinkering with accountability mechanisms.

If the LNP is serious about acknowledging the reasons for its defeat, it will return to a commitment to Fitzgerald and total transparency. If not, it can look forward to many more years in Opposition.¹²

It proved difficult to accomplish the ALP's intention as legal difficulties emerged with the retrospectivity requirement and the inconsistency between state and federal regulations. In the end the implementation was held over until 2016. Before then, the donations issue had been overshadowed by the revelations about the LNP spending \$20 million on its election campaign, as discussed later.

Fixed Four year Terms

The final Parliamentary session entered into the Christmas spirit with an outbreak of bi-partisanship between the two major parties, when the ALP embraced legislation originally introduced by Ian Walker, currently the shadow Attorney General. This provided for a referendum to be held during 2016 to lengthen the term of each Parliament to a fixed four year term, bringing Queensland into line with all the other states. The increased security of tenure obviously appealed to both sides, despite the loss of tactical advantage held by a Premier in the timing of elections, a presumed advantage exploited by Newman with his snap poll at the beginning of the year. The issue was referred to the relevant Parliamentary committee, where again the two parties held sway, even as some in the community raised problems of inflexibility, as witnessed in the recent past in NSW. There was a forthright and informed exchange between two academics in the public hearings which examined their submissions for and against. Only the KAP held true to its rural populist origins, just as it had in voting against the same-sex legislation, favouring more frequent opportunities for voters to express opinions about their political masters. It helped document the negative case for the Electoral Commission's leaflet and gained widespread support in public opinion polls.

(The referendum was held on March 19 after a hectic final week 'road show' campaign by the Attorney-General and her LNP Shadow responding to these polls. The result was decisive support for the changes, despite – or because of? – the incongruity of occurring in the same week as the Premier was threatening an early poll to reassert her authority over dissidents in her own party.)

Electoral redistribution

Earlier in 2015, Katter had moved to implement one of his preferred outcomes by bargaining between the major parties to secure an increase in the number of Parliamentary seats by four. The next required redistribution might, he feared, reduce the number of non-urban seats and consequentially increase the geographic size of several vast rural electorates – including the two held by the KAP and the electorate of

¹¹ [Parliament passes retrospective laws that Queensland political parties must declare donations over \\$1,000](#), ABC, 8.5.15.

¹² *Courier-Mail* 15.4.15; and [Labor changing donation rules for revenge - Lawrence Springborg](#), *Brisbane Times*, 9.3.15.

Cook held by Gordon. Initially his prospects for this change looked bright as the LNP support was bolstered in preliminary voting by support from Gordon, but ultimately Gordon sided with the ALP at the next stage of the process during 2015 and the redistribution process was allowed to continue retaining the current number of MPs.

The Speaker and the committee system

Given the uncertainties of fragile majorities described above, the operation of Parliament itself became a moot point at the start of the 2015 parliamentary year. Would the LNP be able to exert the stress that, for example, Abbott had visited upon a similarly hung Parliament at federal level? Would it replicate the nastiness and vindictiveness which characterised the Newman era and its unrestrained majority? Would a long-serving Independent MP, elevated to the Speakership in a deal to win his support for the survival of the ALP in government, be able to exert enough authority to maintain the dignity of the office and change the behaviour of members?

The answer to many of these questions rapidly became clear to those regularly in attendance. Parliamentary sessions were generally much more respectful and restrained; they rarely descended into the name-calling and bullying which characterised the House under Newman, despite the best efforts of the then Speaker. In part this was a recognition by the long-serving MP Lawrence Springborg, now Opposition leader, that the Newman Government's behaviour in parliament had won the LNP few friends.¹³

Cameron Atfield, a journalist with the Brisbane Times, offered an extraordinarily upbeat assessment at the start of the Parliamentary year – with the Speaker suggesting to him that 'Queensland's 55th Parliament could go down as one of the best in history, based on consultation and pragmatism' and the LNP leader disavowing the gloom and doom threat of a hung Parliament during the election campaign. Springborg suggested that Queenslanders might learn to appreciate the benefits of a hung Parliament, that he was 'encouraged' by Speaker Wellington's avowal of impartiality:

I think that is a clarion warning to the government and also an invitation to the Opposition that if we are prepared to be constructive and put forward good laws, they will be considered on their merits and I think Queenslanders like that.¹⁴

The new Speaker, Peter Wellington, brought his own long experience to bear so that he exhibited a willingness to ensure that Ministers were not given the license enjoyed in earlier days and he threatened to use his casting vote if needed on the facts before him, except when it came to motions of no confidence in the government. But he needed to maintain patience and technical skills to preside over a Parliament which rapidly became unpredictable from the end of March as the various questions over Gordon's conducted unfolded. The Speaker himself did not press to advance his personal agenda, even accepting publicly that his proposal for a statute embodying a Bill of Rights might need to wait its turn, pending an enquiry from the Parliament's Legal and Community Safety Committee not due to report back until the middle of 2016.

There was bipartisan support for maintaining an effective committee system as the basis for informed debate in Parliament as a whole. Springborg had been Deputy Chair (with the ALP's Judy Spence in the Chair) in the 2010 review of the parliamentary committee system.¹⁵ He supported a fresh review. The Committee of the Legislative Assembly,

¹³ There was one designated heckler, Deb Frecklington, the newest face on the Opposition front bench and an aspirant to further advancement, whom columnist Steve Wardill assisted in her task in a short piece entitled 'Back row heckler is proving difficult to handle.' (*Courier-Mail* 25.3.15)

¹⁴ Atfield C, '[Queensland parties face realities of hung Queensland Parliament](#)', *Brisbane Times*, 10.3.15.

¹⁵ [Review of the Queensland Parliamentary Committee System](#), Legislative Assembly of Queensland, December 2010.

chaired by the Speaker and including Lawrence Springborg, reported back in February 2016.¹⁶

The report dealt with the need to entrench the committee system:

The Committee of the Legislative Assembly (CLA) recommends statutory recognition that there will be a parliamentary committee system in Queensland and that the provision also include the core principles of that committee system.

The CLA recommends that the appropriate statute for the provision which contains the 'core matters' detailed below is the Constitution of Queensland Act 2001. The location of the provision in the Constitution of Queensland Act 2001 will not only emphasise its importance of changes by linking them to Queensland's constitutional provisions but it also reviewed the effect of the 2011 changes.¹⁷

There was strong bipartisan agreement on the benefits of the 2011 changes that had 'resulted in a more vigorous legislative process' and increased both the level of information available to members and increased stakeholder participation. The perceived abuse of the Estimates Committee process under the Newman government would be rectified in future by incorporating the process into the portfolio-based specialist committees. In addition, there was recognition about the need to provide a more rational approach to the workload and timing of committee activities in relation to audit reports and commentary on legislative proposals. In broad terms, it was felt that the system was evolving well:

It is best to allow the Queensland Government's current system, which has been through major changes only five years ago, to slowly evolve and develop.¹⁸

Crime and Corruption Commission and its parliamentary committee

The other legacy from the Newman era was the convoluted process of finding Chairs for both the Crime and Corruption Commission (CCC) and for the associated Parliamentary Committee (PCCC). The Newman Government had agreed, as part of its 'mea culpa' strategy in its dying days, to revert to the original notion of an Opposition member chairing the PCCC and also the appointment of the CCC chair to be non-partisan and consultative. It had then perverted that intention by effectively publicising the name of the LNP's preferred candidate before consulting the Opposition.

After the election, the process started again. The ALP identified a suitable candidate for confidential consultation with the PCCC. However, as the newly-installed Opposition, the LNP indicated it wished former Deputy Premier, Jeff Seeney, to be appointed Chair of the PCCC. As discussed below, Seeney had been omitted from any role in the shadow cabinet and doubtless he wished to make his presence felt elsewhere in the parliamentary arena. The evenly-balanced party membership of that committee was deadlocked on the matter before the PCCC chairman could be confirmed. The ALP was concerned that Seeney had made derogatory public comments about the Commission in the past.¹⁹ The deadlock was broken by the subterfuge of the ALP member standing aside briefly for the KAP's Robbie Katter. This created the majority of non-ALP members allowing an alternative LNP figure to be identified as Chair who did not carry the same partisan baggage as Seeney.

Although disgruntled at this turn of events, it was symptomatic of the new LNP leadership and in particular of shadow Attorney-General, Ian Walker (a former solicitor) that an

¹⁶ [Report No 17, Committee of the Legislative Assembly](#), February 2016.

¹⁷ Report No 17, see above.

¹⁸ Executive Summary, Report 17, see above, p.viii.

¹⁹ [Why the Premier doesn't want Jeff Seeney to chair Parliamentary Crime and Corruption Committee](#), News.com, 21.4.15.

acceptable new appointee could be found. Both the CCC and the PCCC could get down to business in a much less acrimonious atmosphere. This allowed the Government to quietly wind back some of the most controversial changes made under the Newman government in response to an inquiry of its own.²⁰ It was intended that whistleblowers would no longer have to sign statutory declarations to make a complaint, and the CCC could again allocate resources to corruption prevention training programs, and decide to conduct research projects without prior approval from the Attorney-General.

Relationships between the CCC and the police remained thorny. Alan MacSporran QC,²¹ the incoming Commissioner, said in an interview with the *Courier-Mail*, that he was not deterred from taking independent action by the politicisation of the CCC that had taken place under Newman.²² He also made clear he would be willing to ruffle police feathers if the need arose (his appointment coincided with a spate of accusations about police brutality), and he questioned the current police discipline procedures. He also told the PCCC that he had areas of concern about police including unexpected delays in finalising investigations and unresolved disagreements or unresponsiveness to directions from the CCC.

Tensions with police were clearly on display:

Mr MacSporran told the committee that the body had a five-point plan, including issuing directions to the Queensland Police Service to notify it every time it receives a serious complaint against an officer. The Queensland Police Union Ian Leavers refuted any suggestion that the police were not doing their job. 'It's ironic the CCC would criticise others when they themselves are now universally recognised as the worst law enforcement agency in Australia in light of their never-ending litany of monumental stuff-ups' he said.²³

Independent observers would have recalled that a similar tension surfaced in an earlier era between the Police Union and anti-corruption bodies.

It will be interesting to see how this relationship evolves during 2016, given that the LNP had traditionally sought to develop a close working relationship with the Police Union. The party's commitment to bipartisanship in rebuilding its relationship with the legal profession and the PCCC may come under internal strain, although there is evidence which suggests that the new Shadow Attorney General is more committed to integrity and accountability than some other members of his party.

A Dis-appointed Chief Justice

Immediately after the election, the most pressing issue for both the LNP and the ALP was the continuing disquiet about the controversial appointment and performance of the Chief Justice, Tim Carmody.

Showing admirable restraint, the new Attorney General, Yvette D'Ath, refused to be drawn into direct and public confrontation with Chief Justice Carmody. Carmody had caused much angst within the legal profession for his record of enthusiastic support for the Newman Government – elevated to Chief Magistrate and then appointed as Chief Justice as the ultimate accolade recognising that support.²⁴ He was criticised for his willingness to continue this apparent partisanship in the immediate aftermath of the election – wishing to preside over any potential Court of Disputed Returns hearing on the

²⁰ [Review of the Crime and Misconduct Act and related matters](#), 28.3.13.

²¹ From 2004 to 2009 Mr MacSporran served as the part-time Parliamentary Crime and Misconduct Commissioner. He had also regularly provided legal advice to, and represented, the Criminal Justice Commission, the Crime and Misconduct Commission and the Crime and Corruption Commission.

²² *Courier-Mail*, 24.10.15.

²³ *Courier-Mail*, 13.10.15.

²⁴ [Queensland 2014: Political Battleground](#), Research Report 14, TJRyan Foundation, 2015.

Ferny Grove result or choosing another judge himself, against the established selection protocol. This added to pressure for him to step down.

Even before the election, critics from within the judiciary and the legal profession more generally were complaining about Carmody's inappropriateness to hold the position and his inability to perform.²⁵ But the very public conflagration was touched off by retiring Supreme Court Judge Alan Wilson who questioned Carmody's leadership and integrity. This prompted the Council of Civil Liberties to call for Carmody's resignation.²⁶ Carmody suggested that Wilson's criticism justified arguments for the establishment of an independent judicial commission. This suggestion set other hares running, but did not resolve the immediate problem.

Other judges joined the debate, but Carmody's intransigence was supported by the *Courier-Mail*. An editorial counselled 'Stop bickering, its time for order in the courts', arguing that Carmody had been appointed legally and was entitled to respect. 'He should not give resignation a second thought'.²⁷ The paper reported that there had been a further 'judicial stoush' over Carmody's ill-timed meeting with a high-profile child-safety advocate during an appeal over a case of child abduction and murder. He eventually withdrew from that process, and voiced his anger at the further delay this caused. This in turn led to public criticism from other members of the legal profession. The *Courier-Mail* reported on the detailed exchanges of vituperative emails between the protagonists, especially Justice Margaret McMurdo, the second most senior judge.²⁸

By June, the *Courier-Mail* led a charge supporting Carmody with a front-page headline, proclaiming the 'Stand Up For Carmody Club'. An article identified one judge who held this view and asserted that there were many others silently but similarly inclined in the legal profession.²⁹ The editorial that day argued that it was 'time for justice, not politics'. Carmody was on sick leave and considering his departure but 'opinion in legal circles – and for that matter, publicly – is turning in his favour. Mr Carmody's opponents can be content that they have loudly registered their displeasure at the Chief Justice's appointment. Your protests are noted, but now it is time for all factions to unite and put justice before politics in the courts'.³⁰ There seemed to be an unprecedented stand-off between Carmody and the judiciary.

²⁵ 'Appeals Mount on Chief', *Courier-Mail* 10.01.15.

²⁶ '[Chief Justice Carmody vows to stay in job, despite calls for his resignation](#)', *ABC News* 27.3.15.

²⁷ 'Stop bickering, it's time for order in the courts', *Courier-Mail* 26.3.15.

²⁸ *Courier-Mail*, 8.5.15.

²⁹ *Courier-Mail*, 15.6.15.

³⁰ A balanced assessment of events of that period and their wider implications was provided by two legal practitioner/ academics, Stephen Keim and Alex McKean. 'Newman's Poisoned Legacy' was published in the legal journal 'Justinian'. McKean A and Keim S, [Newman's poisoned legacy](#), reproduced on the TJRyan Foundation website.



But Carmody was in private discussions with the government and a resolution was reached. The *Courier-Mail* reacted critically in a July editorial:

The shameful Carmody plot set dangerous precedents for coups ... those who rose up against Justice Carmody's appointment have stained the very institution they professed to defend. They should be ashamed of themselves.³¹

Shame was actually in short supply, apart from those who had participated in the original decision. Campbell Newman reflected afterwards in his authorised biography that he regarded this as one of the worst decisions by his government and placed the blame firmly with his advisers, especially the unrepentant former Attorney General, Bleijie. Other observers differentiated between condemning the elitism and snobbery of the judiciary in general and Carmody's fitness to be Chief Justice.

Securing Carmody's resignation without recourse to Parliamentary sanctions was one of the crowning achievements of the Palaszczuk Government's first year in office. The outcome was a reward for the calm, methodical approach of Attorney-General D'Ath. This characteristic was a feature of her approach throughout the year, even when pressured by public and media opinion to take a more interventionist approach in response to populist hostility towards the court system.

The termination of this long-running saga opened up the need for a more open and accountable process for appointing Carmody's successor, and judges and magistrates in general. The incoming Government had committed itself in advance to establishing some form of judicial commission without being clear about whether it was to be concerned solely or even mainly with appointments. As with so many of these commitments, working out the detail was shipped off to a specialist advisory group, charged with examining alternatives including those operating in other states. D'Ath issued a discussion paper which offered a range of options for statutory bodies and the formulation of selection criteria to apply to future judicial appointments. The closing date for submissions was not until the end of 2015 but the heat seemed to have been taken out of the debate.

³¹ *Courier-Mail*, 3.7.15.

The old appointment system was revived in the interim. D'Ath consulted senior figures in the judiciary – a process prolonged because most of the likely candidates, as well as peer advisers, were taking their regular extended leave. The outcome proved widely acceptable, with the choice of a highly respected judge whose hands had not been sullied by public criticism of her predecessor.

Perhaps the final echo of the Carmody controversy was provided in the Queensland Legal Yearbook. This normally staid publication attracted media coverage when it referred to Carmody's short tenure as Chief Justice as 'an unfortunate episode', defended the decision of Supreme Court Justices not to attend his welcoming ceremony as 'a dignified protest', reflected on the special characteristics needed for a successful career which include collegiality and emphasised the importance of a convention of Executive government decision-makers making appointments after wide consultation.³²

Organised Crime Commission of Inquiry: VLAD in perspective

More heat was generated over the long-running debate over perceived flaws in the Vicious Lawless Association Disestablishment Act (VLAD) introduced by LNP Attorney General, Bleijie, in an attempt to control 'bikie gangs' associated with public disorder and organised crime (especially on the Gold Coast).³³

In opposition, the ALP had committed itself to repealing the more offensive provisions of the VLAD Act and to establishing inquiries into both the specifics of the legislation and into the wider problem of organised crime. In the January election campaign this became a source of LNP criticism, with the media supporting complaints that any backward steps would encourage the gangs: A *Courier-Mail* editorial argued that 'the naive Opposition must keep outlaw gang law. ... This is not the time for the Labor Opposition – through naivety or duplicity – to wind back these laws'.³⁴

By the end of the election campaign, Palaszczyk was emphasising that she had 'zero-tolerance' for criminal gangs, and that the VLAD laws would continue for a year or more until after a public inquiry had made its recommendations. This Queensland Organised Crime Commission of Inquiry was established in May 2015, under Commissioner Michael Byrne QC.³⁵ Then in June, retired judge Alan Wilson was appointed to lead a taskforce to examine the 'draconian' laws passed during the former government's crackdown on bikie gangs, including laws that mandate jail time for public gatherings and up to 25 extra years in jail for gang crimes.³⁶

An awkward hiatus emerged until the inquiries' reports were received, while the existing legislation remained in force. In particular, the Police Commissioner, several of his senior officers and the Police Union all became engaged in the public debate over the effectiveness as well as the desirability of the extensive powers conferred on police and on the courts. Although framed in more general terms, VLAD was identified popularly as the 'anti-bikie' laws because the Act had been introduced after a very public fight in a restaurant on the Gold Coast in which bikie gangs played a prominent role.

³² [Former chief justice Tim Carmody cops another swipe in yearbook](#), *Courier-Mail*, 6.2.16. [Queensland Legal Yearbook 2014](#), edited by John McKenna QC and Alice-Anne Boylan.

³³ The furor over the introduction of this legislation, and its perceived threat to civil liberties and freedom of association, has been described in [Queensland 2014: Political Battleground](#), Research Report 14, TJRyan Foundation, 2015.

³⁴ *Courier-Mail*, 26.1.15.

³⁵ Remeikis A, [Bikie associates legislation to be delayed by one year](#), *Brisbane Times*, 24.3.15.

³⁶ Robertson J, [Queensland bikie laws review to be led by prominent former judge Alan Wilson](#), *The Guardian*, 11.6.15.

A number of anticipated prosecutions under the anti-association laws were dropped through insufficient evidence.³⁷ The senior police officer leading the specialised task-force promised that the 'the blitz on gangs will continue unabated' because the gangs remained 'a very significant organised crime presence ... they always have been, and continue to be a threat to the community'.³⁸ At the same time, Attorney-General D'Ath had flagged concerns with sections of the laws, including the anti-association provisions and mandatory sentencing.

The Byrne Royal Commission was criticised, unreasonably, for holding many of its hearings in private and not publishing the full text of submissions made to it. Its terms of reference included organised crimes as diverse as illicit drug production and distribution, financial crime and sexual exploitation of children. Topics included the economic and social impact of crime, money laundering, cyber crime, identity theft and extortion.

When published, the Byrne Report became the subject of dispute between the political parties. It also enmeshed representatives of the police, both at senior level and Police Union officials. The thrust of the report was that the significance of bikie gangs was exaggerated in relation to other organised criminal gangs – whose activities had expanded to fill the gap created by repressive action against bikies. Byrne also suggested that there had been a lack of balance in the allocation of police resources against bikie gangs compared with other organised criminals, especially sexual predators.

Acting Police Commissioner Ross Barnett revealed officers were 'disappointed' with a key finding that suggested sex offenders went largely unchecked while police chased bikie gangs. Barnett pointed to the increased resources that had in fact been devoted to the child protection area.

Politicians weighed in on both sides, although the Government's response was delayed by a change of Police Minister after the resignation of Jo-Ann Miller and a Cabinet reshuffle.³⁹ The Report by Judge Alan Wilson on the specific changes recommended for the VLAD laws was not due until Easter, 2016, but cases and decisions of magistrates and judges continued to exert pressure for change or resolution of uncertainty. In late February 2016, charges of drug trafficking were supplemented by additional charges brought under VLAD legislation to add potential penalties of 15 to 25 years against two men accused of growing a multi-million dollar crop in underground bunkers. A landmark court decision had ruled that a crime group must have a name to be charged under VLAD, so mandatory penalties could not apply to an unnamed drug syndicate or paedophile ring.⁴⁰

This sort of outcome reinforced the expectations that changes will aim at clarification without diminishing the original intent of the laws to prosecute illegal associations. The police created a task force with representatives of the Police Union and legal groups and the outcome seems likely to respect the Premier's frequently avowed intention to have 'zero tolerance for outlaw motorcycle gangs'. The hard part will be establishing what is or is not 'a gang' as opposed to the criminality of individuals conspiring to act together.

A balanced assessment of the significance of 'bikie crime' had been provided at the start of 2015 by ex-police officer now criminologist, Dr Terry Goldsworthy. He questioned the

³⁷ By 9 December 2015 about 100 people had been charged since the introduction in 2013 of the VLAD laws, but no-one had yet been convicted. Some of the cases were dropped and the remainder were on hold until after the taskforce reported.

³⁸ *Courier-Mail*, 16.6.15.

³⁹ ['Political games continue in response to Byrne Report'](#), *Brisbane Times*, 3.11.15.

⁴⁰ *Courier-Mail*, 26.2.16.

claimed impact of VLAD legislation on the reduction in rates of general offences such as robbery, break-and-enter and stolen vehicles and noted that crime rates were already reducing before the VLAD laws came into effect. In a table comparing reported offences and bikie gang arrests, he calculated that only 0.6% of overall crime was related to arrested bikie gang members.⁴¹

Analysis of other statistics – media coverage – suggested that the police were winning on that front:

‘Queensland media has been flooded with operational police stories, with seemingly every bikie arrest the subject of a specific media release. In the same period, other offenders arrested for similar offences often didn’t rate a mention……. Politicians of all stripes will always try to take credit for falling crime rates. But the media and the voters need to look beyond the official spin and give credit where it’s really due for the long-term decline in Queensland crime: in particular, to the many unheralded police officers doing their job.’⁴²

Politicians, the courts and public opinion

The *Courier-Mail* firmly committed its crusading attention to the court system in general, which was portrayed as too lenient on a range of offenders, too critical of police procedure, and out of touch with community standards and attitudes. The decisions of particular magistrates were held up to close examination, often linked to the political preferences of the pre-Newman era when most were appointed. During the Newman Government years, Carmody himself, when Chief Magistrate, had intervened to try to redirect cases into his own court in response to the perceived generosity of bail conditions offered by magistrates. This criticism continued throughout 2015, often involving the Police Union and senior officers.

Magistrate Bernadette Callaghan was taken to task for regularly upsetting police prosecutors, the media (and possibly the wider community) through her leniency towards criminals. At the end of November, the *Courier-Mail* offered advice to the Premier:

There are two people in Queensland who should lose their jobs before Christmas. The first is Police Minister Jo-Ann Miller...the other one is Magistrate Bernadette Callaghan, the ‘soft touch’ magistrate who is making a laughing stock of our courts. Ms Callaghan continues to infuriate police with her penchant for granting bail to hardened criminals. She is so out of touch with community expectations around crime and sentencing that the Palaszczuk Government runs the risk of being marked down by voters on crime because of her leniency.⁴³

Within a month, a much larger target had emerged – the decision of an Appeals Court headed by the new Chief Justice which overturned the jury-trial decision in a high profile homicide case, in which Gerard Baden-Clay had been convicted of murdering his wife. The murder conviction was downgraded to manslaughter. The Court indicated it would withhold sentencing until the New Year – potentially the punishment could be as severe as for murder or it could be much less.

There was a public outcry fuelled by the media and activists. The Attorney-General was urged to launch an appeal to the High Court against this downgrading. The public campaign included heavily-subscribed petitions and a city-centre protest meeting numbering several thousand. The Premier indicated that she would not attend the rally, while recognising that people were entitled to demonstrate in a democratic society. She

⁴¹ Goldsworthy T, [Crime stats provide reality check in Queensland bikie crackdown](#), first appeared in *The Conversation*, 1.9.14.

⁴² Goldsworthy T, [The revealing facts on bikie laws and crime in Queensland](#), *The Conversation*, 20.1.15.

⁴³ *Courier-Mail*, 29.11.15.

counselled them to be patient until legal experts had considered their options. A similar attitude was adopted by Ian Walker, the Shadow Attorney General.

Other politicians were less restrained in their comments, including Bleijie, the former Attorney General. Even a federal Minister from Queensland, Peter Dutton, felt free to state that this was an unacceptable outcome stating that 'the law was an ass'. However, he was noticeably not supported by colleagues such as fellow-Queenslander and Federal Attorney General, George Brandis. Sensing a rising tide of public anger, Independent Senator for Queensland Glenn Lazarus said that he intended to address the rally.

The *Courier-Mail* ran banner headlines urging its readers to turn out for the demonstration and gave full coverage to the speeches. It used its editorial columns to support the aim of ensuring an appeal was lodged by the Queensland Director of Public Prosecutions. The editor complained that 'the thin-skinned responses from the legal fraternity do nothing to reassure Queenslanders that its members are in touch with public concern'.⁴⁴

Three relevant responses had come from the legal fraternity at a function marking the retirement of Michael Fitzgerald as President of the Bar Association. The incoming President, Christopher Hughes, labelled public commentary as unfair to the people involved, and Fitzgerald noted that the legal profession had felt the ire of the public 'on occasion due in no small part to a shallow and opportunistic media'. The most significant contribution came from the Chief Justice herself:

On behalf of the judges, I express our appreciation to both sides of politics in this state who during the short period of my tenure have treated the Court with courtesy and particularly recently have resisted the temptation to let political or populist considerations prevail over the need to respect the Court's integrity and independence. The balance between the executive, the Parliament and the judiciary is a delicate one and underpins our democracy.

On 4 January 2016, the Director of Public Prosecutions lodged an application in the High Court to appeal Baden-Clay's downgraded conviction. In accepting a defence motion to postpone sentencing until after the appeal was heard, the Chief Justice commented specifically on the inappropriateness of comments from politicians and the media – the 'populist considerations' referred to above – which were 'staggeringly ill-informed'.

⁴⁴ *Courier-Mail*, 17.12.15.

7 The challenges of political leadership

Roger Scott

Postwar reconstruction for the LNP Opposition

For the Liberal National Party 2015 was a year dominated by introspection and concern to remake its image so it could regain its previous wide appeal. It was inhibited in this by frequent reminders of ill-judged decisions it had made in the past, reminded not least by the publication of its own performance review conducted by the leaders of the Borbidge-Sheldon coalition which held power briefly during the 1990s, and by the authorised biography of its former leader.¹

There were also continuing internal ideological tensions cutting in several directions:

- those with 'small l' libertarian tendencies on social legislation and civil rights, often quietly affronted by actions of the Newman government;
- those whose libertarianism was of the economic variety, economic rationalists who favoured the minimum amount of government intervention in order to secure unlimited freedom for the market and consequential protection of differentials in wealth distribution in society;
- those committed Christians who believed in government intervention to curb what they viewed as anti-social or ungodly activity which undermined fundamental values of an Anglo-Saxon tradition;
- those who favoured government intervention for a different reason – who yearned for the core values of the old Country Party which favoured various forms of government regulation and intervention to protect the livelihood of those who lived outside the urban areas of south-east Queensland.

LNP party members and voters might embrace some combination of several of these four categories, with different priorities. With the exception of the first group, each category of believers found something to admire and cherish from policy decisions during the Newman years. They were less certain on how to react collectively to the changing character of government under Palaszczuk, given the stunning defeat of the key platform of privatisation driven by the dominant economic rationalists and the widespread assumption that some of the reasons for defeat related to the specific behaviour and attitudes of Campbell Newman.

All they had in common was the unifying force of distrust and antagonism towards the trade union movement, aided by the hearings and then findings of the Trade Union Royal Commission. They all supported Newman's aggressive stance towards unions for a varying combination of reasons.

But there were significant moves away from other Newman initiatives, such as Palaszczuk's action to restore the Bligh-era embrace of civil unions for same-sex couples, undermined by changes under Newman. When the intention to make these changes was announced shortly after the election, the LNP argued that these were

¹ Borbidge R and Sheldon J, [Borbidge Sheldon Election Review](#), 28 May 2015; King G, *Can Do Campbell Newman and the Challenge of Reform*, 15.9.15. See also Salisbury C, 'An Assessment of the LNP's Post-Electoral Review', TJRyan Foundation Research Report No 31, 2015; and Scott R, [Can Do: Campbell Newman and the Challenge of Reform, a book review](#), TJRyan Foundation.

changes of low priority compared to solving the state's unemployment and economic development problems. At the time, Springborg argued:

'This is the lowest of all priorities for Queenslanders. I can't remember being approached or having this issue raised with me by a single Queenslanders'.²

In a gesture of bipartisanship which reflected the mood in the wider community, the LNP decided on a conscience vote for its members when the significant logistical changes required in the legislation had been completed and the legislation returned at the end of 2015. Over two-thirds of the LNP members crossed the floor to support the ALP motion, including Bleijie who had been such an enthusiastic promoter of the original legislative changes under Newman. Bleijie's close identification with Christian fundamentalism had been the mainspring of the original changes which Gavin King, Newman's biographer, makes clear were not to Newman's own libertarian tastes. Perhaps Bleijie's newfound pragmatism recognized that the gay community, in inner-city Brisbane in particular, had been energized to participate in party politics to the considerable detriment of the LNP.

Civil unions apart, Springborg led a move towards a more temperate role in opposition and facilitated genuinely bi-partisan discussion on a range of issues. The most notable was the implementation of recommendations of the Bryce Report on Domestic Violence, set up by Newman but reporting to Palaszczuk. But he also appreciated the cost of abusing parliamentary processes that had occurred under Newman.

One of these abuses was a persistent refusal of Newman to report to Parliament on the level of government expenditure and party expenditure linked to the election campaign. Newman had promised instead that this figure would be made available after the election. When the final figure was known after the election had been lost – amounting to \$20 million – there was the expected political outcry. Salt was rubbed in the wound of this fruitless level of expenditure when one of the advertising agencies commissioned to use these funds received an international award for the creativity of its advertising.

Writing in the *Brisbane Times*, Remeikis covered this in deadpan style:

The Public Affairs Asia Gold Standard Awards, held in Hong Kong earlier this month, saw Bluegrass Consulting, Burson-Marsteller, PPR Queensland, and the Queensland Corporate Communication Network awarded the 2015 Gold Standard award for 'successful and strategic engagement between an external organisation and a government'.

'Strong Choices' was credited as Australia's largest and most innovative engagement campaign around budget and debt issues because it successfully engaged the population, helped frame a way forward for the State, and created widespread support for what were strong, but difficult economic choices,' the award's judges found.

They neglected to mention that the policy, which led to 'strong' becoming the favourite word of every LNP MP in an attempt to further sell the campaign, also contributed to the Newman Government's shock loss at the 2015 election.³

Other Newman era expenditures – this time directly by government agencies – also came into view. Three incidents underlined the failure of the LNP to address the issue of public accountability and the suspicion of corrupt behaviour that dogged them during the 2015 election campaign.

The first of these related to the letting of contracts for the 'boot camps' which Attorney-General Bleijie had identified as the suitably aggressive response to juvenile offenders too young to incarcerate in normal prisons. During the Parliamentary Estimate hearings

² *Courier-Mail*, 26.2.15.

³ Remeikis A, [Campbell Newman's Strong Choices campaign wins international award](#), *Brisbane Times*, 14.12.15.

while he was still in office, an issue was raised about the tendering process which resulted in a benefit to one of his associates conferred even before the legislation had come into force. At the time, the Director-General of his department admitted that the process of tendering was less than ideal. Subsequently, human rights lawyers alleged that the whole system of youth justice, including boot camps, was a breach of international conventions.⁴

Further details were provided in the Annual Report of the Queensland Auditor General who suggested the granting of contracts could be 'open to accusations of favouritism' and pointed to multiple irregularities in the decision-making process. Bleijie remained unrepentant in responding to these accusations, suggesting he was entitled to inject his own views into the process and to over-ride concerns about relative cost but that he was unaware that the successful tenderer had made a substantial donation to the LNP after the success of his tender.

There was damning detail about the consequence of the Minister's intervention:

Actual experience since the two contracts were awarded serves to reinforce our view, particularly for the sentences youth boot camp. Contract variations and payments were made to the service provider in excess of the contracted amounts. Capital improvements for, and payments to, the sub-lessors of the boot camp facility were made on very favourable commercial terms. These all represent value transfers with little certainty that the state has received equivalent value in exchange. These extra costs also raise significant doubt about whether the full cost of the program was understood when it was approved; and whether the state is unnecessarily subsidising the sentenced boot camp provider for costs the provider is, or should have been, contractually bound to absorb.

There was also startling evidence of resistance to the Auditor General from both the Minister and his Director-General which continued up until the election:

In late January 2015 my officers also advised me that they had been told by departmental staff that the director-general had requested his staff not to provide any further evidence to my office. On 27 January 2015 I wrote to the director-general requesting that he co-operate with my investigation and directing him to the relevant sections of my Act that can compel this. In response to my letter I finally obtained all the information from the department that I judged necessary to finalise my report on 6 February 2015.⁵

Similar stories of dubious decision-making processes came to light after the change of government, often relating to retrospective approvals associated with quarrying sites or vegetation clearing. The ABC news website carried one such story, about the retrospective approval of the bulldozing of bushland by a mining company in central Queensland; the issue was referred to the corruption watchdog by the State Government.

The Crime and Corruption Commission (CCC) will look at a complaint about the former government's decision to sanction the work even after the company admitted it did not have the required permits. Minister for State Development Anthony Lynham prompted the referral after local landholders raised the issue and pointed out that one of the former ruling Liberal National Party's biggest donors has a significant financial stake in the mine.⁶

⁴ Remeikis A, [Queensland youth justice system breaches international law: human rights lawyers](#), *Brisbane Times*, 13.3.15.

⁵ Remeikis A, [Queensland LNP's boot camp operator decision open to accusations of favouritism: Auditor General](#), 9.4.15.

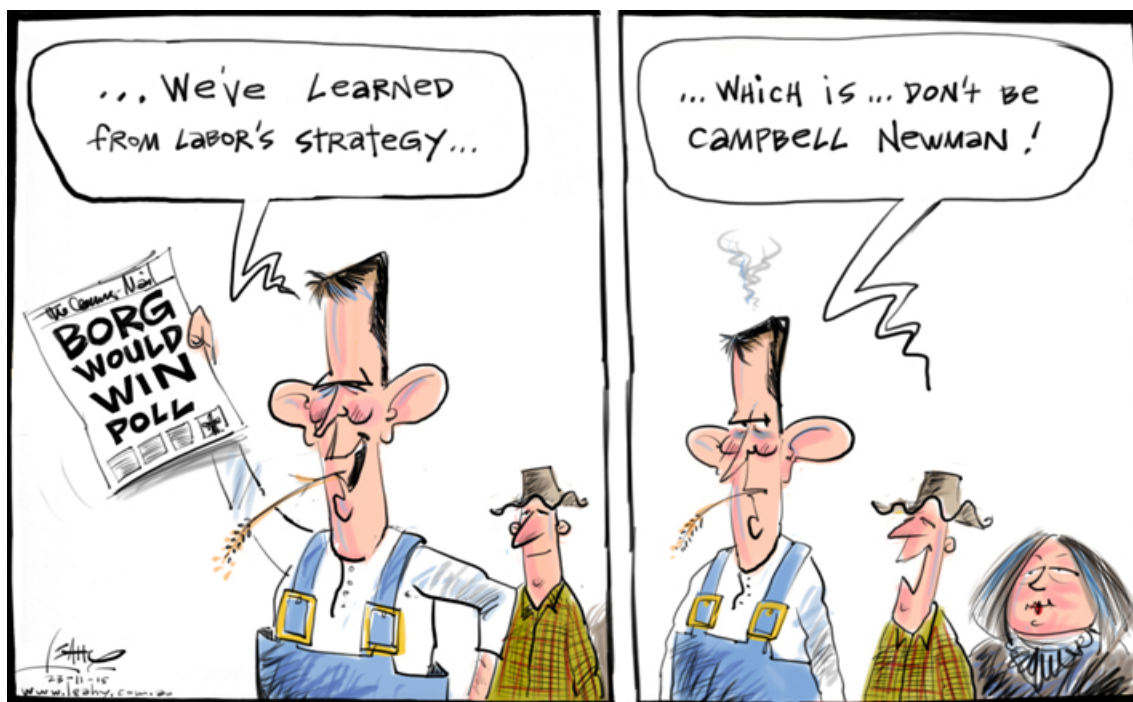
⁶ Willacy M and Solomons M, [Queensland corruption watchdog asked to investigate Newman government's retrospective approval of bush clearing](#), 3.6.15. See also Willacy M, [Backdated approval of LNP donor's land clearing could have involved maladministration](#) ABC, 17.9.15.

Jeff Seeney, the same LNP Minister who had approved this retrospective approval for a single constituent of his then became the target of accusations of systematic and widespread distribution of 'largesse' favouring LNP constituencies under the \$500 million 'Royalties for Regions' program ostensibly modelled on a similar scheme in Western Australia. The Auditor General's report said that, in making allocation decisions:

Departmental advice was ignored and there was a lack of paperwork to justify why certain projects were funded, leaving the process open to accusations of bias and favouritism ... the Department of State Development, Infrastructure and Planning cannot demonstrate that the suite of projects funded under this program represents the optimal mix and so best value for money. Our analysis shows that the former Minister was more likely to approve projects in government-held electorates.⁷

The response from ex-Minister Seeney likened this attack to being hit by a wet lettuce leaf while conceding that the absence of access to paperwork since leaving office made it difficult to defend himself against accusations of favouritism and bias. The key issue was whether this was ever meant to be a competitive grant scheme available to all local governments outside metropolitan Brisbane. This was denied at the time by Seeney, which contradicted a statement he had made to both the Parliament and the Auditor General in earlier debates about the patronage aspects of a grant system which did not rely on competitive assessment.⁸

Internal LNP Leadership Stresses



Despite all this, there were periods during the year when the LNP appeared to have improved its political fortunes. Palaszczuk continued to enjoy a personal 'honeymoon' with poll respondents but her government remained subject to criticisms of inactivity and lack of progress economically, plus a perceived weakness on 'law-and-order' issues described earlier. National events earlier in the year had helped, with the popularity of the move to replace Abbott with Turnbull carrying across in polling across all states.

⁷ Cited in the *Courier-Mail*, 12.2.15.

⁸ Remeikis A, [Queensland royalties for regions not 'value for money'](#), *Brisbane Times*, 1.12.15.

Chris Salisbury's analysis of the first year fortunes of the Palaszczuk government made this point in relation to Queensland:

The odiousness (for many) of the former Premier, combined with the unpopularity and campaign-damaging actions of former Prime Minister, Tony Abbott, were considerable factors in Labor being in a position to form government a year ago. But with both of those figures gone and replaced by more palatable conservative leaders at state and federal levels – and, in the case of the latter, supposedly generating 'spill-over effects' in terms of rising coalition popularity in the states – Palaszczuk's team needs to be seen to do more, primarily in relation to jobs and the economy.⁹

Again cartoonist Sean Leahy injected a dose of bitter reality for the LNP leadership, reminding them of the price they had paid for an ill-judged decision which had placed Newman in a position to squander power and deny them the continuity in government which they believed they deserved.

A Galaxy poll published at the end of November reported that the LNP had edged ahead of the ALP so that primary support for the ALP had subsided from peaks through the year back to the knife-edge levels of the election period, when the LNP had better ratings on the two-party-preferred measure, 51-49. Palaszczuk still had a comfortable margin over Springborg on the preferred-Premier rating but the overall party figure seemed to secure him against any palace coup. Commentators at the time pointed to both the dysfunctional Parliament including its recalcitrant Police Minister and the lack of optimism about issues such as economic development and unemployment.

However, right at year's end, there was a less favourable consequence flowing from the replacement of Abbott by Turnbull. As part of the rejuvenation of his new Ministry, Turnbull called on his long-standing friendship with Queenslander Ian Macfarlane to 'take one for the team' and stand aside after a decade of previous service in senior positions inside the Liberal Party. The friendship was clearly more fragile than Turnbull had calculated and Macfarlane immediately conspired with the two most senior leaders in the National Party to join their party as a mechanism for forcing his way back into the Ministry as a National Party member.

Turnbull's vigorous response forced a show-down between his Liberal supporters inside the merged Queensland LNP and those supporting the established National Party hierarchy and the two co-conspirators, Warren Truss and Barnaby Joyce. Although Macfarlane was able to mobilise a significant vote in his local constituency in favour of his transformation, heavy guns were fired at the idea and the proposal was narrowly voted down at the decisive state council level.

Reporting on these events in late 2015, Paul Williams set this dispute in its historical context. He admitted the inaccuracy of his earlier series of predictions that the initial LNP merger would fall apart because of its internal tensions, then that the LNP inflated backbench would prove unmanageable, and then that the Newman Cabinet would be characterised by major leaks and plotting.

However, Williams believed that the Macfarlane incident had signalled an underlying reality: contrary to superficial perceptions, the Newman era really does appear to be a temporary truce in a decades-long Liberal and National feud:

Fourteen state executive members have now ditched eight years of unity forged by both Newman and Springborg, and inflamed smouldering Coalition tensions over

⁹ Salisbury C, [First Year fortunes of the Queensland government](#), TJRyan Foundation.

the Liberals' penchant for poaching traditional National Party strongholds. Are the Nats now officially second-class citizens to the Libs?'¹⁰

Similar questions were raised by another long-time observer. Dennis Atkins is a Queensland journalist who worked under an ALP Premier over twenty years ago. He now makes national media appearances and writes opinion articles regularly for *The Australian* which are often reproduced in the local *Courier-Mail*. He similarly questioned the effect of this on intra-coalition relationships:

How will the Nationals take this humiliation in the longer term ... retribution against the Liberals is all but certain, with timing being the only uncertainty ... the whole affair has reinforced the unpredictable and often disruptive nature of Queensland conservative politics.¹¹

By the time that the ALP was busy celebrating its year in power, the tensions within the LNP had become more visible as it coped with the internal fall-out from the perception that it had failed in its dealing with the fluidity of the parliamentary scene, especially over its defeat over the alcohol restrictions and its open divisions over same-sex unions.

Federal events¹² triggered changes and McVeigh, Bleijie and Seeney were reported to be interested in lower house seats. But safe lower house seats are prized nationally and only two of these three were able to prevail over younger candidates with better connections to the federal coalition parties. Only John McVeigh succeeded, after facing a fierce contest from a local doctor who aligned himself with the ultra-conservative values of the party; LNP's Bleijie was the first to renounce his aspirations even before nominations closed – and the wheels of the internal party machine ground slowly. Seeney was the most articulate in explaining his desire to abandon the Queensland parliament. He had been passed over by Springborg in the allocation of shadow portfolios and fought a losing battle to win the chairmanship of the parliamentary committee supervising the Crime and Corruption Commission. In the post-election review, he had publicly argued that the cause of the LNP defeat rested with the failed experiment of bringing in Newman from outside Parliament. Perhaps his colleagues expected that as Deputy Leader at the time he should have done more to help overcome these difficulties rather than be seen as such a heavy-handed Newman supporter. Before the end of the Parliamentary session, his informal soundings suggested that he would not have the numbers and so he withdrew his application and fervently re-committed himself to working at state level.

While these discussions of relocations to Canberra were occurring in public, there were media reports of internal dissent and an attempt to build support around Tim Mander as an alternative leader to Springborg. Mander had stood against Springborg in the leadership ballot immediately following the election and apparently came within two votes of victory. In September, responding to a poll which placed the Premier well ahead of Springborg (by 49 to 28), the *Courier-Mail* headlined 'MP's muttering about Springborg leadership' beside a photograph of Mander which also discussed the potential competing claims of former Treasurer Nicholls. Both dismissed any talk of a challenge although the usual 'un-named multiple sources' predicted that 'any challenge was unlikely before Christmas, but they said it was likely inevitable one would take place before the next state election'.¹³

¹⁰ *Courier-Mail* 17.12.15.

¹¹ *Courier-Mail*, 16.12.15.

¹² Ian MacFarlane's ignominious defeat led him to indicate that he would not be standing again for either party in the next federal election; Mal Brough's protracted police investigation had pressured him to consecutively stand aside from his Ministry, not seek or be offered reappointment and then not seek re-endorsement for his seat (when it might anyway have been denied him by his own party); and Warren Truss confirmed after much delay that he would be vacating the National Party leadership and not re-contesting his seat in rural South-east Queensland.

¹³ *Courier-Mail*, 30.9.15.

Writing in the *Brisbane Times*, John Harrison suggested that Mander might be the strongest among various Brisbane-based contenders despite his performance as Education Shadow Minister. Harrison based his analysis on Mander's appeal to regional areas of Queensland because of his celebrity status as a former rugby league referee, his experience of being educated in state schools and living in a Labor household, and because of his evangelical Christian roots – 'there remains in Queensland outside the great south east an ingrained and residual piety that crosses denominational boundaries'.¹⁴ Certainly his evangelical connections had been prominent in his push for chaplains in state schools in his former role as CEO of Scripture Union Queensland.

What followed was a reportedly farcical attempt at a coup on Mander's behalf which, according to Steven Wardill in the *Courier-Mail*, meant that senior party MP's believed that Mander had severely damaged his prospects of ever leading the LNP and many other MP's were livid at the cack-handed attempted coup' in which Mander supporters 'attempted to browbeat and bewitch them into supporting a switch'.¹⁵ Springborg promptly sacked his deputy whip identified as one of the main conspirators and accepted, when most others did not, that Mander was unaware of the plotting.

Nevertheless, despite this fragmentation of the previous leadership group around Newman, the evidence from several opinion polls suggested that the LNP was in a winning position in terms of overall party preferences. This was where it was at the time of the last election but was edged out by narrow defeats in marginal seats. But such calculations are notoriously unstable and much depends on how preferences would flow in a different electoral landscape. It seems certain that the Palmer United Party would not command anything approaching its support at the last federal poll; even in the state poll in 2015, it had scored only 5% overall although its preferences were not insignificant. It seems equally certain that the KAP might do better. But campaigns and personalities do matter. As the cartoonist points out, the two major contestants have the advantage of not being Campbell Newman. The problem for the LNP is that the encouraging fluctuations in its overall polling is not reflected in the choice of leaders – Springborg still lagged behind in the personal leadership stakes. And Federal experience suggests that changing leaders can be fraught with uncertainty, whether or not a party is in government.

Fractures in the labour movement

Working with the complex array of trade unions was a particular challenge for the Premier during her first year in office, even though it rarely came to public attention. Howard Guille points out in his historical overview that this relationship has deep historical roots. Guille's full document will be made available on the TJRyan Foundation website as a separate Research Report.

Unions, as seen in some of the headlines from 2015, are an easy stick with which to beat the government. As the *Brisbane Times* reported, 'attacking Labor over its union links has been a key Opposition strategy'.¹⁶ Yet there is a considerable ambiguity about public attitudes towards unions. On the one hand, opinion polls repeatedly show that the proportion of respondents saying unions are needed is considerably higher than the proportion of union members in the workforce.¹⁷ Against this, a 2014 opinion poll found 52.5 per cent of respondents agreed Labor should 'distance itself from the union

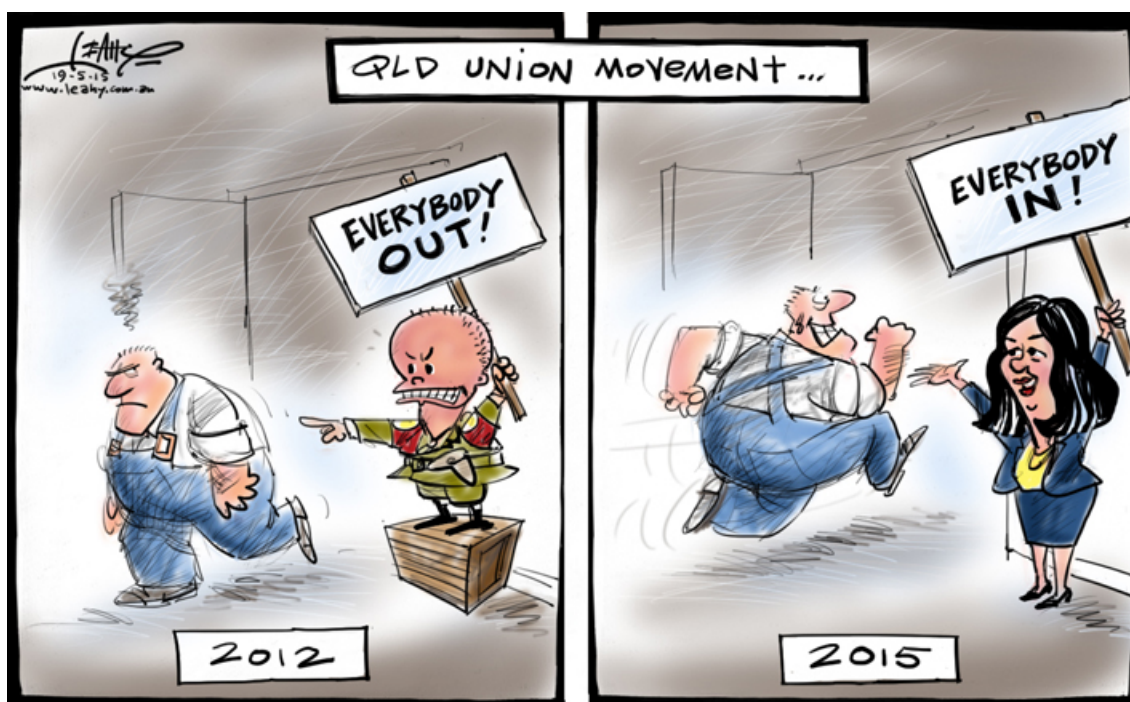
¹⁴ Harrison J, [Is Tim Mander the one to lead the LNP?](#) *Brisbane Times*, 22.2.16.

¹⁵ Wardill S, *Courier-Mail*, 23.2.16.

¹⁶ Amy Remeikis, ['Queensland Labor met with union officials 71 times in three months'](#), *Brisbane Times*, 3.6.15.

¹⁷ In May 2013, an Essential poll found that 56 per cent of respondents believed unions were important for working people. Union density is currently 18%. See ['The myth of conservative Australia'](#), Solidarity Online, 23.8.13.

movement'.¹⁸ It appears that unions are regarded as legitimate as industrial organisations but not as political ones.



In Queensland, unions had distanced themselves from the policies of the Bligh Government and their unwillingness to provide electoral support contributed to Bligh's defeat in 2012. When in Opposition, Palaszczuk had worked hard to rebuild trust by disowning Bligh's privatisation agenda as well as the anti-union policies of Newman. As a result, unions – particularly those with public service affiliations – had campaigned strongly and decisively against Newman independently of the ALP.¹⁹ Palaszczuk sought to reward them for their loyalty. Some changes were relatively quickly and easily accomplished, such as restoring the traditional Labour Day holiday to May, restoring the superannuation status quo and providing access to workplaces.

But, as Madonna King asked in the *Brisbane Times* at the start of the regime:

How will business see any decision that is seen to be supportive of those same powerful union allies she worked with to win government? So far, the strategy has been on message: a consultative government that will listen to business and the unions and forge a way ahead.

But it's a big stretch to argue that the decisions that will be needed over the next three years will be applauded equally by both unions and business. And that's when it will get tricky for the Premier, and the government she leads with a wafer-thin majority of one (and an Independent at that). Business says it was pleased to be invited to a government briefing, just after the election, and on the same day unions attended. But they continue to watch Palaszczuk and her Labor team closely, and with the first sign of a step to the Left they're ready to call a halt to the dance.²⁰

Guille identifies two substantial party matters that have been brewing during the three years of the Palaszczuk-led opposition and the first year of ALP government:

¹⁸ Aston H & Hall B, 'Union ties hurting Labor Party with voters, ReachTEL poll finds', *Sydney Morning Herald*, 3.2.14,

¹⁹ Scott R, [Mobilising Dissidence: the relationship between Labor, labour and the wider community in the 2015 State election](#), TJRyan Foundation Research Report 27.

²⁰ King M, *Brisbane Times*, 25.03.15.

One is the rekindling of activism as shown in union campaigns against privatisation and Newman government actions. The other is a long debate about the relationship of unions and the ALP. The method of election of the Parliamentary leader is a public aspect of this. Yet, like an iceberg, much more to the debate is out of the public view; arguably this is more profound.²¹

Not all unions are affiliated with the ALP, including some of the largest of them representing various categories of public sector employees – mainstream public servants in the Together Union, nurses, teachers and police. These were also the unions with the highest density of membership. When they take industrial action, they sometimes have a wide effect on the general population.

Unionists in Parliament²²

As Howard Guille points out, until late 2015 when there was a National Conference rule change, all ALP candidates were required, by the rules, to be a union member or employ union labour. All parliamentarians had to have a union ticket though not necessarily from an affiliated union. Claims about 'union' domination often fail to distinguish between ALP caucus members who were previously union officers/officials and those who simply hold union membership.²³

In the 2015 election some unions, notably United Voice and to a lesser extent the Australian Manufacturing Workers Union (AMWU), 'sponsored' a set of candidates and campaigned in their electorates. This was additional to the overall anti-privatisation campaign and was a re-emergence of what used to be a regular practice for unions. It also involved asking candidates to commit to particular policies - hardly an unusual activity.

Nonetheless, the Courier-Mail made much of this under a headline: 'Unions hoping to cash in on poll pledges'. The story included a statement from the AMWU to its members that: 'The new Queensland Government contains card-carrying AMWU members'. The Courier-Mail also reported on a video from United Voice to its members; according to the report the Union General Secretary had stated that the union "'supported" seven successful Labor candidates and that two of them now sat in Cabinet with the Premier'.

Andrew Bolt re-ran the story as 'Unions demand Labor pay off - with your money' and Judith Sloan used it in a blog site as 'And Queensland becomes Union Heaven'. While it might be considered excessive of the union to use the term 'United Voice MPs', it is hardly inappropriate for the union to report to members that 'this means that there are people in Parliament who have directly represented you as delegates or officials and now they can make sure your voice is heard in Government'. The critics also miss the point that only one out of the four candidates supported by the AMWU had ever worked for a union.

The overlap of membership between unions and Ministers and their presumed loyalties has continued to attract media interest and criticism from business and mining interests. This unease about union influence was constantly reinforced by the interrogations and allegations aired during public hearings of the Royal Commission into Trade Union Governance established by the Abbott Government. While this was clearly a product of the Abbott government pursuing a political agenda (in the same way as Abbott had pursued former Labor Prime Ministers Kevin Rudd and Julia Gillard), some of the mud

²¹ Guille, H, [Labour and Labor: Unions, Party and Government in Queensland](#), TJRyan Foundation Research Report.

²² This section was amended on 1 June 2016.

²³ There is an analogy in the UK where some electorates are the province of a given union to nominate the Labour Party candidate. Indeed, disputes about one electorate two or three years ago led, in part, to the RMT (National Union of Rail, Maritime and Transport Workers) and the Party splitting.

thrown by the media was bound to stick on Queensland unionists who were not the central targets.

As the year progressed, local CFMEU leaders came under fire and recommendations came from the Royal Commission to the Queensland Director of Public Prosecutions to pursue charges of extortion. As Des Houghton wrote in his inimitable style, 'The union movement is hovering like a death star over the minority Palaszczuk Government'.

The structural relationship between the party and unions is a long and continuing matter. In 2013, the National Conference of the ALP introduced changes promoted by Kevin Rudd for the selection of the National Leader. This divided equal responsibility for leadership selection between constituency members and parliamentarians. Bill Shorten was the first leader selected by this mechanism. In contrast, the Queensland ALP, at its 2015 conference, decided on a three-way election between caucus, party members and affiliated unions. The Deputy Premier, Jackie Trad from the Left faction and the Minister for Health, Cameron Dick, from the Labor Forum centre faction, took different positions on this. Dick opposed the change and preferred the federal model which minimised the role of unions.

This might seem an arcane debate but is loaded with questions about how to democratise the Party and the function of organised factions. The latter is especially important because factions were a product of the reform of the Queensland party in the early 1980s. At that time, organised factions were the mechanism to widen the party base and increase internal democracy; now they are portrayed as a means by which unions control the party.

Guille identifies the argument against excluding unions from key decision-making inside the ALP:

Affiliated unions, unlike individual branch members, have the resources to develop and argue for the implementation of policies. A more democratic voting system might well give the appearance that individual members are more involved in party decisions. Yet, if the voting system is changed by reducing the role of unions, it will increase the relative power and autonomy of the Parliamentary caucus relative to party members. There might be more control over the party but less over the Government.²⁴

The Premier's access to power flowed from being the incumbent leader appointed in 2012 when there seemed no other realistic choice. She was a member of the Labor Forum/AWU centre-right faction that was the largest and dominant single faction in the State ALP through the 1980s to 2000s. However, the Left Faction gained a majority in 2015 among the branch and union delegates that comprise the ALP State Conference delegates (the Party's supreme body). While the Premier's electoral victory rendered her impregnable during her first year in office, the shift in factional numbers and the influx of new caucus members is a political reality. It has to be taken into account amid all the other leadership calculations about electoral issues and public policy priorities.

Palaszczuk as 'accidental leader'

Throughout 2015, the media was generally more tolerant of the Palaszczuk premiership than of most of the left-of-centre regimes which preceded it, with the exception of Peter Beattie. This may partly be as a result of the derogatory attitudes towards journalists manifest in the public utterances and personal attitudes of Premier Newman. Over time this tolerance of the ALP tended to change.

²⁴ Guille, H, above.

On 15 February 2016, Remeikis pointed to the reasons for this change:

One year on from promising hope and a better Queensland, the Palaszczuk government has an image problem – it's too concerned with it. Risk averse to the point of inertia, any tough or controversial decision is delayed, swatted away or ignored in favour of emotional, community-friendly debates that on the surface win hearts, but don't take a lot of thought.

That strategy, coming as it does, top down, leaves the government unable to deal with any more than one big issue – usually of its choosing – at a time, fossilises ministers and has resulted in a somewhat restless voting public who were promised change but have since discovered it's to be delivered in amber.²⁵

Remeikis pointed to lack of answers to pressing problems, ranging from mining to public transport, political donations to electricity prices and anti-association laws; the only progress was in advancing projects already in the pipeline, especially the non-partisan concern for domestic violence, or reversing Newman government decisions aimed at punishing the union movement in petty or substantial ways.

And a year on, with just one MP standing between power and a trip to the Governor's office, the Palaszczuk government is still to come up with a narrative outside of 'we're not Newman'.²⁶

Much the same message was being sent by the other Brisbane daily. The front page of the *Courier-Mail's 'Insight'* on 13 February 2016 featured journalist Steven Wardill asking 'Can She Deliver?', and, inside, asserting that: 'Now It's Do or Die', both supporting an editorial headed: 'Premier must show substance or watch her support crumble'.²⁷ The LNP capitalised on these sentiments by offering television advertisements depicting the Premier driving the car of government frozen at the wheel.

Any evaluation of Palaszczuk's first year in office needs to take account of the unexpectedness of her victory, the inexperience of her team and the uncertainty about the survival of her Parliamentary majority. Media commentators (and cartoonists) frequently alluded to the existence of latent internal divisions within her party and significant factional support for potential leadership contenders who had been excluded from the previous parliament by the deliberate targetted strategy of the LNP.

In 2012, when the ALP was returned with only seven MPs, the LNP strategy of targeting tall poppies was seen to have paid off. Survivors came from hard-core seats often 'owned' by personal and/or union dynasties; their occupants often had not been forced to campaign hard in the past or to build intra-party networks with an eye to leadership advancement in the short term. Palaszczuk might not have been ranked in the top quartile of leadership contenders in the previous Bligh Government but was an uncontroversial choice from among those left in the severely depleted ranks. In this sense, she was truly an 'accidental' Premier.

She was also 'accidental' in the sense that, having had only seven members while in Opposition, the apparent hopelessness of their electoral cause allowed the ALP to claim a sympathy/protest vote from a range of voters wanting to express distaste for the Newman 'brand' of conservatism.²⁸ After the result was known, the LNP made much of polling which suggested that many voters had voted against LNP candidates in the expectation that the next Premier would be suitably chastened but come from the LNP.

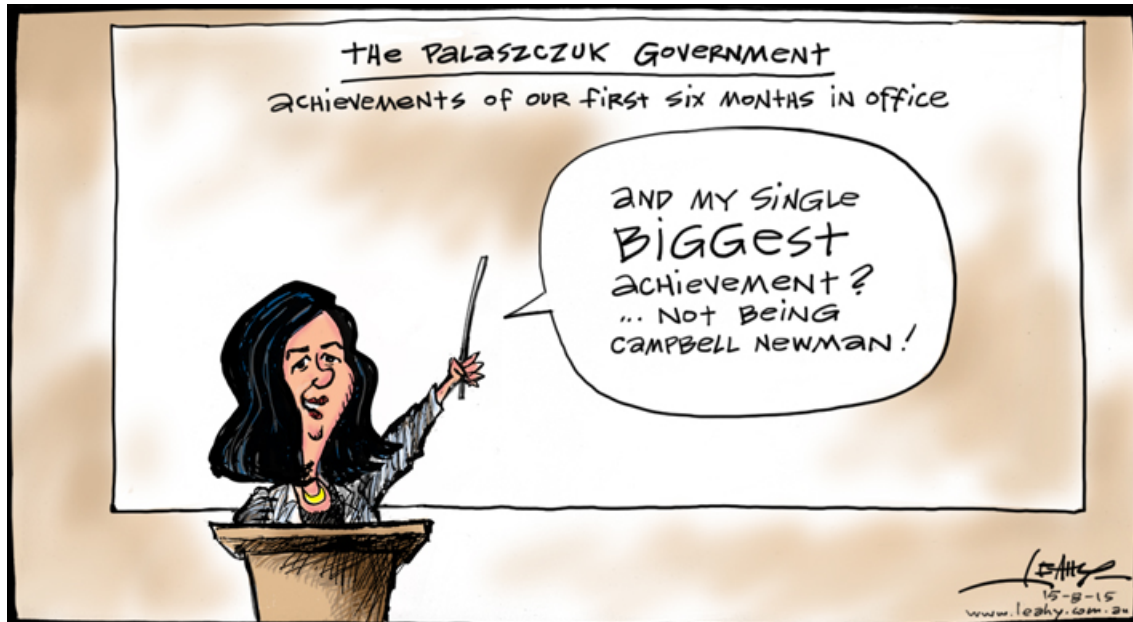
²⁵ Remeikis A, 'After one year of Queensland Labor Government, Palaszczuk needs new narrative', *Brisbane Times*, 16.2.16.

²⁶ See above.

²⁷ *Courier-Mail*, 13.2.16.

²⁸ See Downer L, [Can Do has been canned ... and other political branding tales from the 2015 Queensland election](#), TJRyan Foundation.

So there was a popular perception that Palaszczuk's Premiership was an accidental by-product of the reaction against Newman. Once Newman was removed, her opponents asserted she lacked any legitimate claim on the Premiership. This questioning of her legitimacy was reinforced by the uncertainty of the outcome, especially when a challenge initially loomed in one constituency, and then there were protracted negotiations with the key Independent and the two members of Katter's Australian Party. (There was also the facile suggestion that total percentages of votes for the parties could be used as a basis for questioning the authoritativeness of the result).



Howard Elcock, a leading authority on political leadership in democratic systems, has written in several places about what he calls in one paper 'the leadership puzzle'. Early on, he deals with the question of 'accidentality' which he contrasts with advancement within business or public service organisations:

Studying and training political leaders is difficult because they arrive in their leadership positions through complicated series of events and accidents – indeed, many of the most successful political leaders achieve their posts unexpectedly.²⁹

Getting there by accident does not mean that leaders are by definition unprepared, even though they may be inexperienced. The biographies of Palaszczuk's two predecessors, Anna Bligh and Campbell Newman, contrast the 'accidental' elevation of Newman to the premiership and the price the LNP paid for his parliamentary limitations as an 'amateur' with the succession planning behind Bligh's ultimate elevation after a career in student politics, then service as a local member and then in a set of key Ministries. Bligh was a 'professional' in the same sense that Palaszczuk can claim to be a professional, even though both can be derided by the LNP and the wider community as pursuing careers lacking in 'real-world' experience. Newman's successor as leader of the LNP, Lawrence Springborg, is equally 'professional', have been a member of Parliament all his adult life, inheriting his constituency in much the same way as Palaszczuk inherited hers.

One of Palaszczuk's key characteristics was her apparent lack of pretension, making her more attractive to uncommitted voters than Newman with his often-stated willingness to take hard decisions and exert his authority. People who did not know her might swallow the media's image of her as shallow and amateurish – and tolerate her for that reason –

²⁹ Elcock, H, *Political Leadership*, Edward Elgar Publishing, 2001.

whereas Newman exuded an air of total confidence which might have been mistaken for intolerance of other people's views.

This electoral deficiency is captured in his own authorised biography:

The protection of patronage and risk aversion, muddled visions and poor communication with the electorate, as well as party political warfare are all valid explanations for today's lack of political leadership. But, as the Newman government demonstrated so vividly, political leadership and vision is only part of the equation. Without a likeable personality or the skills of soft politics, reform is fraught with electoral danger.³⁰

Compared to her predecessor, Palaszczuk has measured up well in a situation where the lack of a formal partisan majority has created many more opportunities for dissent and criticism. She benefitted by comparison with Newman from her familiarity with Parliamentary processes and the support of a rule-conscious, albeit independent, Speaker. By contrast, Newman was able to use his overwhelming majority to by-pass any road blocks erected by his equally rule-conscious Speaker but was criticised in the media for his perceived breach of conventional formal restraints.

Joe Nye, a former colleague of mine, has generalized from his study of international relations to create an influential distinction in leadership studies between 'soft power' – co-opting people rather than coercing them - and 'hard power' – influence involving pressure or threats – but he shows how effective leadership in the real world requires a mixture of both. The ability to know which to use when is what he calls 'smart power.'

The last of the five leadership lessons Nye draws is that

the information revolution and democratization are causing a long-term secular shift in the context of post-modern organisations – a shift along the continuum from command to co-operative styles. While sometimes stereotyped as a feminine style, both women and men face this change and need to adapt to it. A consultative style is more costly in terms of time, but it provides more information, create buy-in and empowers followers.³¹

³⁰ King G, *Can Do: The story of Campbell Newman*, Connor Court Publishing, 2015.

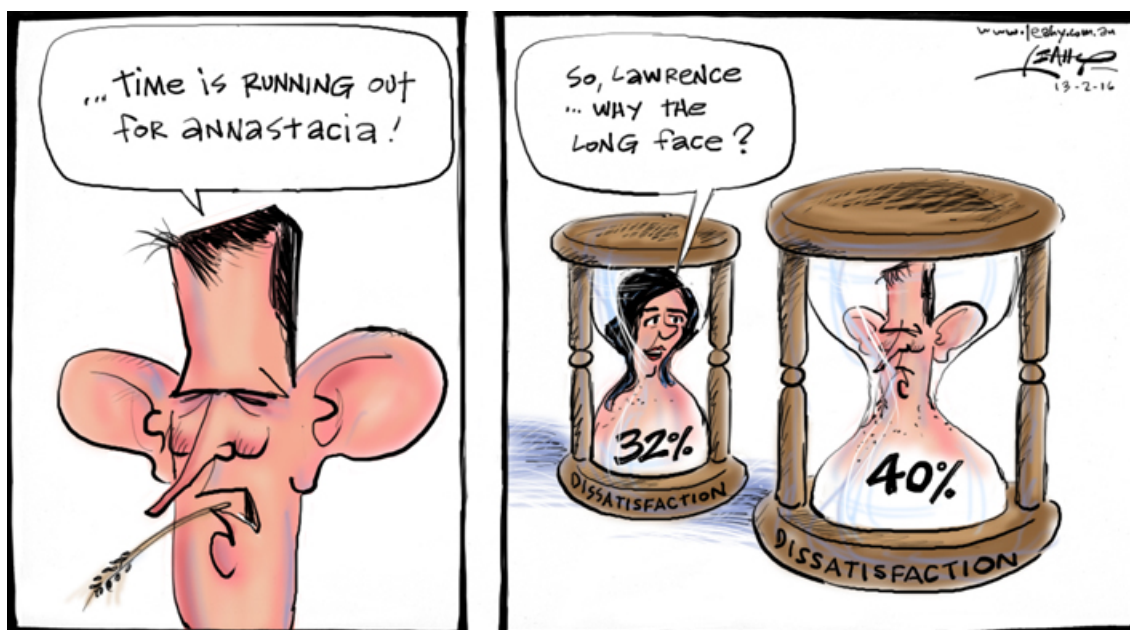
³¹ Nye J, [5 Leadership Lessons: Joseph Nye on Leadership](#), Leading Blog, 16.7.10.

8 Annastacia's juggling act

Roger Scott

At the informal level, Palaszczuk had only a brief honeymoon before the realities of acquiring a numerically small and inexperienced caucus impinged, particularly the need to deal with those in caucus whose past or current behaviour required either firm action or risking seeming to appear weakly tolerant. Pre-selection processes and quality assurance had been relatively superficial in circumstances where the ALP did not expect to win seats. Initial firm action against Gordon – ejection from the party – proved difficult to sustain in the circumstances of a hung Parliament and she left herself open to criticism as cynically ignoring her own statements about moral rectitude in dealing with other 'miscreants'. Newman had not experienced these constraints because of his overwhelming majority and he eventually took the high moral ground against those colleagues he regarded as behaving disreputably.¹

There was also a contrast between the two Premiers in relation to treatment of their bureaucratic and party advisers. Newman was criticised for perverting the merit principle by appointing at least one overtly political actor as a CEO and securing patronage-style appointments lower down the hierarchy. Palaszczuk did not disguise her expectation of unqualified loyalty, and appeared to distrust those brought into the system by Newman. However she risked criticism for acting too slowly on key appointments when she demanded adherence to merit selection processes, however long it took.



The issue of personal standing ('charisma') was crucial in explaining the electoral outcome. The public had little advance notice of Palaszczuk compared to the glare of publicity accompanying Newman's stellar electoral performances in Brisbane City Council elections. Her more conciliatory style and low-key manner which presented a small target when in Opposition continued into her early performance as Premier.

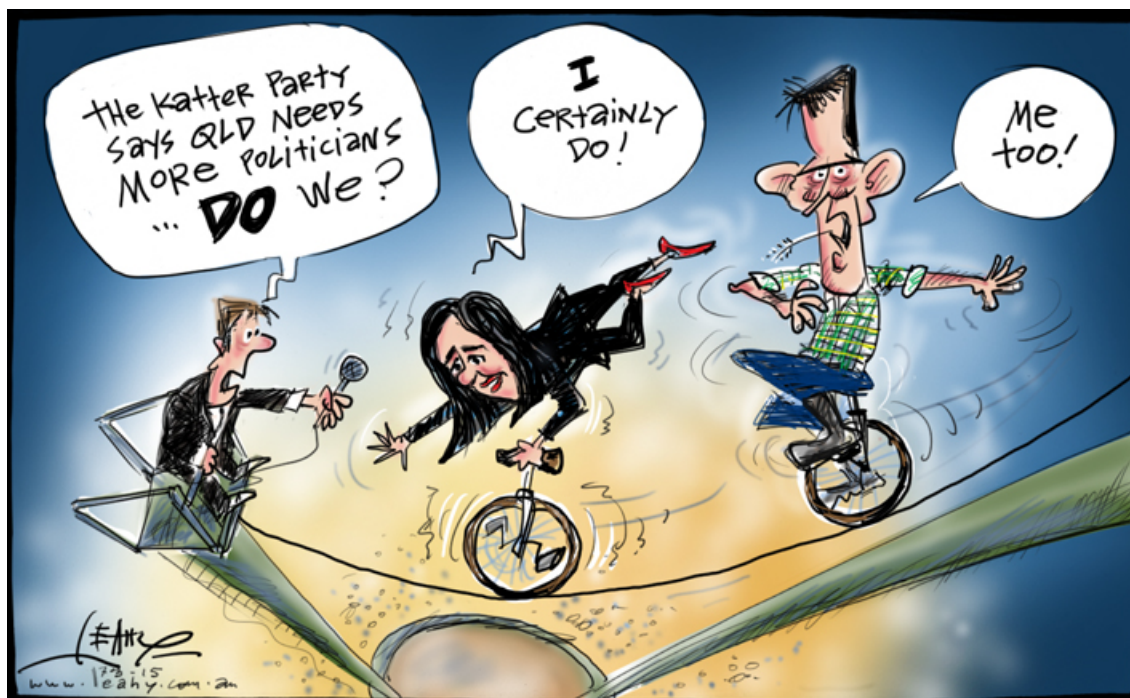
¹ See King G, above.

Leahy produced a series of cartoons on the theme that her greatest strength before the election was 'not being Campbell Newman'. With Newman gone, a major impediment was removed and 'not being Campbell Newman' had now become Springborg's major asset rather than Palaszczuk's.

In contrast to Palaszczuk, Springborg was regarded as a known quantity, a relief after the failed experiment with the autocratic style of a Council mayor. However, perhaps because he had been around for such a long time, he had failed to excite the voting public on three previous occasions and few used the term 'charismatic' to describe him. The difference between Palaszczuk and Springborg was reflected in opinion polling which measured party as well as personal standing – at times the ALP was regarded by many as inert but the leader was consistently regarded more favourably than the party she led.²

Howard Elcock distinguished between governmental, governance and allegiance roles. First were the formal processes relating to the machinery of government, the key political institutions and relations between government; second were the activities representing these institutions outside government both with other levels of government and other states, and to lobbyists representing interest groups; third were the fundamentals of holding power – inspiring allegiance in order to win elections and remain in control of the party.

Elcock's description of the necessary personal characteristics to fulfil leadership roles accurately portrays the ideal-type leader to which Palaszczuk could aspire: 'Articulate, an ability to dominate and negotiate, personal competence based on experience, networking skills and remaining approachable and accessible'. But his study also warns about the dangers of becoming too accessible, the potential risk of corruption through 'clientelism', which in the Queensland scene might apply equally to the trade union movement or to the business/mining community or to collusion between them at the expense of the wider public interest.



² ['Queensland Premier plays down poll results'](#), *Brisbane Times*, 23.11.15.

The cartoons portraying the Premier in danger of losing her balance over-simplify reality as a binary choice – hanging on or falling off. The Premier is in fact tiptoeing between different tightropes in dealing with the multiplicity of different issues. Perhaps the more appropriate metaphor is the circus juggler with multiple but different balls in the air at the same time, each tossed by different bystanders.

The bystanders are a mixed crowd without much in common. They might be business figures wanting infrastructure funding and contracts; farmers wanting drought relief but also freedom to clear land and cover it with fertiliser of their choice; unionists who want laws that encourage their recruitment activities and do not discourage investors from delivering new job opportunities; environmentalists who attack miners and farmers (when they want to clear trees) and attack unionists when they seek to sustain employment in mining.

Then there are the parliamentary bystanders from KAP and LNP, seeking to hold the Government accountable by criticising its expenditure of public money (unless it is located in north Queensland or spent on referenda). And finally there are her own supporters with balls being tossed from inside the ALP by factional leaders and fractious independents.

Occasionally the juggling Premier can slip a few balls in her pocket – labelled judicial appointments or same-sex unions or domestic violence or alcohol management – but she needs to watch they don't bounce out again – are they made of rubber or glass? And it may be hard to predict where the next ball is going to come from.

A year of doing this non-stop and still to be more popular than one's opponent and free from a leadership challenge may not seem heroic to the bystanders, or to the media selling tickets at the door. A juggler can be treated with mild amusement while admiring the skill being shown. A ring-master cracking the whip may have more appeal, but the public has tried and rejected that in the immediate past. At some time the audience may tire and either expect the juggler to leave the stage or demonstrate an expanded repertoire, but they have no reason to ask for their money back based on this year's performance.

