

## **Queensland**

January to June 1998

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### **Swapping Horses: From One Minority Government to Another**

The minority Borbidge Government survived its second year in office and completed a full parliamentary term before the premier called a state election for 13 June. Although beset with problems of a political nature, the government at last began to make headway in policy and in state administration. The Coalition Government gave the appearance of having settled into office and ministers looked more comfortable and confident in their portfolios. The difficulties of holding together a minority government seemed less pressing as the two parties and Independent Liz Cunningham gradually developed reliable working relationships. It must also be said that the number of parliamentary sitting days did not constitute an onerous burden to the government which mainly preferred to govern in executive mode rather than in legislative mode.

The novelty of a minority government was apparently not of undue concern to the Queensland electorate. With both sides of politics seeking a clear mandate, and with the new One Nation Party seeking to spoil their intentions, the electorate decided at the June election to swap horses but not to endorse a majority government. Instead, the Borbidge minority government was comprehensively defeated, but Labor fell one short of a majority and had to rely on another Independent to regain the Treasury benches.

### **The Coalition Government in Survival Mode**

Confounding the prophets of doom, Premier Rob Borbidge kept his promise to run full term. During the early months of 1998 political circumstances offered little opportunity for a snap election as polls were unfavourable to the government. The months leading up to the election were spent in careful preparation for the eventual campaign and in assembling the next State Budget (to be stuffed with goodies according to one senior Liberal) which was unlikely to be passed before the poll was called. But the months of preparation were not without some major setbacks.

Initially, the government appeared to be gearing up for a race-based election — premised on a conservative reaction to the High Court's Wik judgement and negative attitudes to Aboriginals. Both the Nationals and One Nation began to position themselves as outspoken critics of Aboriginal rights and welfare (see *Bulletin*, 13 January 1998). Rob Borbidge was vehement in his opposition to the Federal Coalition Government's ten-point plan to amend the Native Title Act. He also mounted a fear campaign based on assertions that people's backyards were not safe from claims by Aboriginal groups (*Australian*, 22 January, 24 April 1998). His strident rhetoric was designed to appeal to his own rural constituency, but his message was not appreciated by his Liberal coalition colleagues facing a tough fight in Brisbane seats.

When a vacancy occurred on the High Court, a Queensland QC, Ian Callinan, was appointed in March by the Howard Government after consultation with the premier and senior ministers. Callinan, who had not served as a judge at the state level, had had a long association with the Queensland National Party. At the Federal Cabinet meeting there was apparently intense lobbying from Queensland Nationals to appoint Callinan at the expense of a South Australian nominee. This appointment satisfied both the Queensland Government and the Federal Leader of the Nationals, Tim Fischer, who had earlier called for a capital C conservative to be appointed. In other appointments, the Parliamentary Criminal Justice Committee appointed Ms Julie Dick SC, as the state's first Parliamentary Criminal Justice Commissioner in March. This appointment was intended to improve the accountability of the Criminal Justice Commission that had come under much criticism in recent years.

The government was also hit by a series of electricity blackouts in February caused by a coincidence of breakdowns in major power stations. There were also reports of industry warnings of further blackouts (or brownouts) over the peak winter period — based on insufficient capacity and a slowness in linking the state to the national grid. The crisis was of such concern that both the premier and Energy Minister Tom Gilmore stepped in to help defend the government's reputation. Arguments from senior ministers that power failures were not the responsibility of the government because the generating plants had been corporatised did not wash with the electorate (Sheldon, ABC News Transcript, 23 February 1998). Moreover, the opposition suggested that maintenance funds had been withdrawn from the industry to help fund the Coalition's budget commitments, which had led to a lack of basic maintenance in the generating plants. Further controversy arose over the blackouts in March after Treasurer Joan Sheldon accused power workers and unions of deliberately sabotaging the system — this came after the strenuous efforts of these staff to restore power to the system. Sheldon was forced to apologise to the workers on the floor of Parliament, saying she was happy to apologise to the workers of Swanbank, Tarong, Stanwell and Callide if her remarks were believed to be personally directed at them. Press reports began to carry speculation of a Liberal leadership spill before the next election — with Industrial Relations Minister Santo Santoro gathering numbers for a challenge.

Throughout the early months of 1998 Labor remained generally ahead of the Coalition in the opinion polls with around a five per cent lead. Going into the new year Labor held forty-three per

cent support, with the Coalition down to thirty-eight per cent. By March the gap had fallen to two per cent with Labor on forty-one per cent and the Coalition on thirty-nine per cent. But generally, the Coalition continued to suffer the largest drop in support since the 1995 election. By May-June Labor's primary support was down to thirty-nine per cent — about four per cent from its primary vote recorded in 1995 (forty-three per cent), whereas the Coalition had fallen in the opinion polls by a significant twelve per cent (thirty-seven per cent down from forty-nine per cent primary). But equally important, polls showed around 400,000 voters (or about twenty per cent of the electorate) were likely to vote for minor parties and remained undecided in terms of a two-party preference. One Nation polled steadily in the range of seven to eleven per cent over the six months prior to the election, but increased their support toward the election eve (with a Morgan poll in the last week — 6-7 June — predicting they would receive 18.5 per cent support — see *Bulletin*, 16 June 1998). In leadership terms, Rob Borbidge and Peter Beattie remained neck and neck in their personal approval ratings with the Liberal leader Joan Sheldon attracting a much higher disapproval rating. Borbidge remained the most preferred premier attracting forty-seven per cent personal support which was well ahead of Opposition Leader Peter Beattie who received forty-one per cent preferences. Although Borbidge was most preferred his level of support was comparatively low for the incumbent, while Beattie's support was comparatively high for an opposition leader.

Besides these state-wide polls, the *Courier-Mail* also began to commission polls in individual seats. One of the first of these was in the electorate of Barambah in February, which showed the sitting National Party Minister Trevor Perrett in trouble in his normally very safe seat because of the inroads made by One Nation (which had already nominated a local business woman, Dorothy Pratt, as their candidate). The Barambah poll showed Perrett on only forty per cent of local support compared to One Nation's Pratt who polled twenty-four per cent with Labor recording only eighteen per cent. This result was both a major concern to the Nationals, who won the seat with sixty-seven per cent of the primary in 1995 and held a two-party preferred vote of 74.5 per cent. The support for Pratt was a major boost to One Nation in the lead-up to the elections.

### Two-Timing Ministers

A series of press articles appeared over the summer linking a number of ministers to illicit affairs with personal staff or with other sex scandals. Primary Industries Minister Trevor Perrett had been linked to prostitute Colleen Jefferies — who was found dead in suspicious circumstances. Rumours also appeared alleging that the deputy National Party leader and Minister for Families, Youth and Community Care, Kev Lingard, was conducting an affair with one of his staff. These issues became more public when Marilyn Hobbs, wife of the Natural Resources Minister, Howard Hobbs, complained to the *Sunday Mail* about her own husband having an affair with one of his staff. Mrs Hobbs said it was simply unacceptable that the taxpayer should continue to fund the salaries, overseas trips, first class airfares and accommodation throughout the country of young female staff members employed by these ministers when there is obviously a very intimate and unprofessional relationship involved. She also found it "extraordinary that the Premier of Queensland continued to turn a blind eye to at least two of his ministers". The controversy also raised questions about the use of government credit cards and ministerial entertainment. Coming from a such a senior figure within the National Party, these allegations were hard to ignore. There was also the risk the allegations would damage the Nationals especially in rural areas where many traditionalist voters appeared more hardline on moral standards.

Borbidge was stung into action. He called a cabinet meeting on 10 February to clear the air giving each minister until 5 pm that day to raise any problems they may have with their ministerial accounts. Following this procedure, the premier demanded the resignations of three ministers who he felt had clouds hanging over their heads. On 13 February it was announced that two ministers had resigned (Perrett and Hobbs) but the third, Kev Lingard, had refused and so had been sacked by the premier. Lingard denied any wrongdoing over his accounts (it was alleged that false expense claims were made by the Minister's staff over restaurant meals), but the premier indicated that while he had been the victim of a clerical error he still had to bear the consequences for the mistake. Lingard became the subject of an investigation by the Auditor-General and the Criminal Justice Commission. The

government retaliated by Presenting damaging evidence against the former Goss Government — producing records of a \$343 bill for alcohol at a lunch to discuss public transport held by David Hamill (including eighteen bottles of wine, two bottles of port, and a case of imported beer for ten people).

The *Courier-Mail* described the removal of three Ministers as the biggest Coalition purge since the Bjelke-Petersen era. The paper also labelled the fall-out over the mistress claim as “Black Friday” for the government. Others took a more philosophic stance: maverick National MP Bob Katter defended the Ministers by saying they get lonely.

Three new National Party Ministers were appointed as replacements. Lawrence Springborg became Minister for Natural Resources, Naomi Wilson was appointed Family, Youth and Community Care Minister and Marc Rowell became Primary Industries Minister. The ministerial scandal did not end with the reshuffle: when three local National Party branches in Howard Hobbs’ seat of Warrego passed votes of no-confidence in him, the premier made a special trip to Charleville (in the government jet) to address an angry meeting of Party members with the intention of convincing them to retain Hobbs as the preselected candidate. The premier’s rescue proved successful and Hobbs retained the endorsement.

### **The Non-Consummated State Budget of 1998-99**

The Borbidge Government brought forward its Budget to 14 May in an effort to clear the decks for the state election before the Federal Government’s tax statement and impending federal election. Treasurer Joan Sheldon delivered her third budget under the slogan of “Securing Queensland’s Future”. The \$16.1 billion budget was generally well received, delivering big spending increases aimed at softening the predicted worsening of the state’s economy. Treasury’s strategy seemed positively Keynesian with interventionist spending once again back in favour. Unlike other Liberal leaders around Australia, who were intent on reducing government spending, Joan Sheldon was expanding government expenditure at a breakneck speed — especially capital works which was to grow by nine per cent to \$4.8 billion. But despite the high level of public spending, the Budget predicted that jobs’ growth would not keep pace with rising unemployment. Despite the government’s pledge that no new taxes would be introduced, many state government taxes were forecast to increase as sources of revenue — for example stamp duty, payroll tax, debits tax, poker machines tax, and tobacco and liquor transfers. The Budget contained no substantial tax cuts (indeed, concessions to land tax and stamp duty merely totalled \$63 million).

Premised on lower growth (3.75 per cent of state GDP), less business investment, lower interstate migration, and higher unemployment (8.5 per cent), Sheldon’s third budget increased government outlays in infrastructure, law and order, arts and health. More teachers and health workers were promised. But Sheldon was keen to point out that the government had not produced a throw-away election budget. Most government departments received allocations similar to the previous year — and less in some cases. A long list of relatively small benefits were spread around various electorates so that local members had something tangible to boast about in the weeks before the election. The government also benefited from the sale of state assets (Suncorp-Metway shares worth \$600 million) and continued to plunder its own government-business enterprises (demanding a so-called dividend of almost \$1 billion from the electricity authorities). But this raised questions about whether such one-off injections were fiscally responsible or whether they would erode the state’s financial position in future years. If economic conditions did deteriorate, it was widely predicted that the government would find it harder to fund its commitments without substantial borrowing.

But the 1998-99 Coalition Budget was destined not to be passed. Before the estimates committees were to meet to examine the expenditure proposals, Rob Borbidge went to the Governor to call the state election.

### **13 June — A Good Date to Have an Election**

Rob Borbidge picked what seemed, he argued, a good date to go to the polls — 13 June. With the Federal Coalition about to release their controversial tax plan (with GST re-incorporated), Borbidge

chose to forfeit his last month in an attempt to clear the air. His announcement ended months of phoney electioneering — probably the longest pre-campaign in Queensland's history — although the formal campaign was set for the minimum period — twenty-six days. Over 2.1 million electors were registered to vote.

Members retiring at the election included Labor's former ministers Wayne Goss, Keith DeLacy, Glen Milliner and Geoff Smith, and backbenchers Len Ardill and Clem Campbell. Two senior Nationals were retiring: Mark Stoneman and Di McCauley (who embarked on a junket to Paris in the election campaign to say a few words for Queensland's bid to host the World Expo 2002 — subsequently won by the Philippines). Labor's Ken McElligott (Thuringowa) indicated that he intended to resign, but was persuaded to recontest his seat after his replacement, the endorsed Labor candidate Karen Ehrman, was investigated and charged with electoral fraud. Ehrman resigned from the ALP one week before the election was called and, with the seat looking very marginal, Party power-brokers felt the personal standing of the outgoing member gave them their best chance of holding the seat — but their efforts were to no avail.

The Coalition had to fight the election on two separate fronts — one against Labor in the southeast urban areas of the state, and against One Nation in rural and provincial areas. Labor was more intent on fighting its immediate past, trying to rebuild a new image and regain the votes it lost in the protest swing at the 1995 state election. Policy issues were almost entirely overshadowed by the issue of the entry of One Nation and the allocation of preferences by the Coalition to One Nation ahead of Labor. Underestimating the following One Nation would have, both the Nationals and the Liberals announced that they would put Labor last on their how-to-vote cards, with the implication that their preferences would flow to the Hanson party. The Coalition reasoned that Labor was the old enemy and was the only opponent potentially able to form a government. They also believed that a preference swap would benefit them by One Nation preferences coming their way. The Coalition were acutely aware that they may have to accommodate One Nation after the election — and although Party leaders clearly ruled out a formal coalition or "deal" with One Nation they were careful not to rule out governing with the support of the new party on confidence and supply if it held the balance of power. While this preference issue was expected and not unacceptable to National supporters, the decision by Bob Carroll as President of the Liberals was most contentious and dominated the media coverage of the entire campaign.

One Nation tended to appeal to the disaffected in both rural and depressed urban and provincial areas. Its policies were understood to be racist and intolerant by One Nation electors, and its economic statements were premised on winding the clock back to a more secure protectionist environment — dubbed fortress Australia. But the party also picked up those conservatives who were disgruntled with the performance of the Coalition in government at both the federal and state levels. A variety of factors seemed to drive voters toward the One Nation banner; the decline in rural services, the absence of jobs, the decline in living standards, anxiety about Asian immigration levels and the issue of gun control were all touchstones of discontent. One Nation successfully tapped into this mood by presenting itself as a party of protest for those disillusioned with the major parties or wanting non-elite viewpoints injected into political debates. For the media One Nation had a magnetic novelty value; they were controversial, newsworthy, populist and in their statements generally sparked reactions from other mainstream players.

The results of the state election came as a surprise and a shock to the traditional party system. The Coalition Government suffered most with a huge swing away of 17.7 per cent on their primary vote. The Coalition lost twelve seats in total - six to Labor, five to One Nation and one to an Independent. For the first time since 1974 the Liberals out-pollled the Nationals in their primary vote although again not in the number of seats won. The Nationals lost six seats (five to One Nation and one to an Independent) which reduced their representation from twenty-nine down to twenty-three seats. The Liberals also lost six seats (all to Labor) managing to hold only nine of their fifteen seats.

Labor lost just four per cent on their statewide vote but due to regional variations lost six seats and won six seats to remain steady on forty-four seats — one seat short of forming government in their own right. One Nation received 22.68 per cent of the vote — almost double the level of support they had shown in earlier opinion polls. The fledgling Pauline Hanson's state party which only

nominated many candidates at the last minute managed to win eleven seats in the Assembly — none were won outright but eight were won on Coalition preferences and three on leakages of Labor preferences from the official how-to-vote cards. Moreover, two Independents were returned: Liz Cunningham narrowly held her seat of Gladstone, and Sunshine Coast local councillor Peter Wellington unseated the Speaker, Neil Turner, in Nicklin. Because of the mixed outcome and the number of One Nation seats, no two-party preferred result was possible to calculate.

The complete results were:

Party	Votes Cast	Percentage	Seats Won
ALP	752,37	438.86	44
Pauline Hanson's One Nation	439,121	22.68	11
Liberal Party	311,514	16.09	9
National Party	293,839	15.17	23
The Greens	45,709	2.36	-
The Democrats	31,119	1.61	-
Australia First (G. Campbell)	9,560	0.49	-
Australian Reform Party	7,658	0.40	-
Christian Democratic Party	2,098	0.11	-
Shooters' Party	1,058	0.05	-
Australian Women's Party	299	0.01	-
Other Candidates	41,991	2.17	2

All three major parties represented in the previous Parliament had sitting members defeated: Labor lost six members — Lorraine Bird (Whitsunday), Bob Dollin (Maryborough), Don Livingston (Ipswich West), Ken McElligott (Thuringowa), Bill Nunn (Hervey Bay) and Jon Sullivan (Caboolture). The Nationals lost five sitting members and six seats overall: Trevor Perret (Barambah), Tony FitzGerald (Lockyer), Tom Gilmore (Tablelands), Naomi Wilson (Mulgrave) and the Speaker Neil Turner (Nicklin), and the seat of Burdekin (formerly held by the retiring Mark Stoneman) was lost. The Liberals also lost six members: Frank Carroll (Mansfield), Bob Harper (Mt Ommaney), Ted Radke (Greenslopes), Frank Tanti (Mundingburra), Lyn Warwick (Barron River) and Luke Woolmer (Springwood).

Only two parties won seats: Labor won six and One Nation won eleven. Labor regained Mundingburra (Lindy Nelson-Carr), Mansfield (Phil Reeves), Springwood (Grant Musgrove), Mt Ommaney (Julie Attwood), Greenslopes (Gary Fenlon), and Barron River (Leslie Clark).

One Nation were the major beneficiaries of the election. They captured the seats of Whitsunday (Harry Black), Maryborough (John Kingston), Lockyer (Peter Prenzler), Tablelands (Shaun Nelson), Ipswich West (Jack Paff), Thuringowa (Ken Turner), Hervey Bay (David Dalglish), Barambah (Dorothy Pratt), Burdekin (Jeff Knuth), Caboolture (Bill Feldman) and Mulgrave (Charles Rappolt).

A number of prominent members only just survived. The National's Russell Cooper had to rely on Labor preferences to retain his seat of Crows Nest, as did Len Stephan who was widely predicted to lose his seat of Gympie to One Nation but just managed to survive. Labor's Treasury spokesman David Hamill in Ipswich was given a close run by One Nation's state leader Heather Hill.

In the immediate aftermath of the election on 19 June, Joan Sheldon announced her intention of resigning from the leadership of the Liberal Party (but because of the precarious political position she did not dare risk a by-election in her seat and so planned to sit out the current parliamentary term as Member for Caloundra). Her decision to step down threw the Liberals into turmoil especially as one of the main faction heads, the former Industrial Relations Minister, Santo Santoro, did not have the numbers in the surviving nine person party room to secure either the leader or deputy leader positions. Bob Carroll (a Santoro supporter) tried to exert the influence of the party organisation in selecting the leadership, claiming a balanced ticket should be formed (i.e. installing Santoro as deputy). However, the Tucker faction selected two of its own for the top jobs: Dr David Watson was elected leader and Bob Quinn elected deputy leader. After the slump in Liberal support in the

southeast and the loss of over one-third of their seats in the Assembly, this leadership team had a big job ahead of them.

As the poll results were officially declared, the defeated Liberal candidate for Mansfield indicated that he would be issuing a challenge to the result in the Court of Disputed Returns. The Liberal Party initially indicated that it would support his challenge, but later withdrew while he pursued the appeal personally. The Court heard the case in early September.

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