

BAILLIEU RESIGNS

Facts Behind the Story



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Words by Rick Brown.

Much of the analysis of Ted Baillieu's decision to resign as Premier last week can be summed up with one word: nonsense.

Comparisons with Julia Gillard's ambushing of Kevin Rudd and endeavours to find an organized coup disguise the failure of the media to understand and report the implications of what they knew or should have known.

That said, journalists are in good company. Most politicians could not see the woods for the trees either.



Equally for journalists to focus solely on a rallying call by some backbenchers to replace Mr. Baillieu with Planning Minister Matthew Guy when considering alternatives to Mr. Baillieu reflects poorly on them.

When it comes to challenging the leadership, the Liberal backbench has been a disorganized rabble. There are plenty of people who, for a couple of years prior to the last election, were on the receiving end every other month of predictions that Mr. Baillieu's end was nigh. During this period he faced not a single challenge. The only thing that happened was the Liberal leadership in the Legislative Council which was not sympathetic to Mr. Baillieu stood aside to make way for people who were.

As the disquiet of business with the performance of the Government spread more broadly in 2012 and manifested itself in poor polls in the second half of last year, the name Dennis Napthine was to the fore in 'what if' chats over coffee among at least some Liberal Party watchers.

Mr. Baillieu's laudable decision, taken early in his life, to make his contribution to society by engaging in public service is well known as is his decision to choose politics as his form of public service. What has not been canvassed is whether, as a consequence of that motivation, Mr. Baillieu did not have a burning ambition to become Premier to do anything in particular. Unlike Jeff Kennett or John Howard there was no agenda or vision. Becoming Premier was an end in itself rather than being a means to an end.

That lack of vision or agenda was made all the more apparent by the limitations of the front bench taken as a whole. The truth is that there have been only a handful of noteworthy performers in the ministry.

This is part of the legacy of the failure of the Liberals following their defeat in 1999 to re-invigorate and rejuvenate themselves. The new talent introduced over the 11 years in opposition was minimal. One reason for this was sub-groupings within the Liberals putting their interests ahead of the interests Party as a whole. Thus the Government has reaped what some ministers assisted in sowing.

That the job might become a grind for a Premier who did not have an agenda to pursue, and whose Cabinet did not engender inspiration or enthusiasm, was not canvassed by the media despite Mr. Baillieu's not disguising the fact that the sacrifices required by the job were wearing him down.

Then there is the matter of entitlements which has been exercising the minds of backbenchers, and especially Liberal backbenchers, since last year. The Victorian Parliament is feeling the pain of then premier Steve Bracks' following John Howard's lead. Howard capitulated to Mark Latham in 2004 by closing the politicians' very (many would say extraordinarily) generous, defined-benefit superannuation scheme. However unlike Mr. Howard, Mr. Bracks did not do anything to even partially compensate future politicians for their inability to access the scheme and to recognize the poor post-job prospects many politicians face.

The majority of politicians now in the Victorian parliament were elected after 2005. They are conscious of the disparity in entitlements between the two groups of politicians and are angry. They want the current review of pay and conditions to address this issue. However the leadership of both the Government and the Opposition, who happen to be pre 2006ers, has appeared insensitive to them. The Liberal leadership has talked simply about pay increases, which would not address their concerns and in fact exacerbate the problem.

From the perspective of the post 2006ers, Mr. Baillieu was part of the problem. The Liberal leadership's insensitivity has caused this group of backbenchers to get mobilized and organized, a development which had implications beyond the entitlements issue, given that the backbench has been a disorganized rabble. The Member for Frankston, Geoff Shaw, has been one of those backbenchers taking a keen interest in this issue.

The fact that Mr. Baillieu was alienating his backbench at a time when they were getting hammered in their electorates about the Government's performance and the polls were not good, also went unnoticed and unreported in the media.

Clearly there were two events last week which were unforeseeable. The first is the timing of the release of the taped conversations. Former adviser Tristan Weston's nemesis is Police Minister Peter Ryan and one issue the media has not pursued is 'whose idea it was to release the tapes and why'.

The other was Mr. Baillieu's response. Stripped to its essentials, the story was that the Premier's chief-of-staff and the Liberal Party's state director tried to sort out a problem by telling a disgruntled former employee that he had got a raw deal, that they would help him try to find a job and that the Liberal Party would give him about \$20,000 to help tide him over.

Instead of saying that, Mr. Baillieu referred the matter to the recently-created Independent Broad-based Anti-corruption Commission (IBAC), without bothering to read the transcripts of the tapes. Further he made the decision without telling Cabinet ministers, even though there was a Cabinet meeting last Monday.

From that minute, the career of Mr. Baillieu's chief-of-staff, Tony Nutt, was finished and Mr. Baillieu had weakened his position with Cabinet colleagues.

One important question was what Mr. Shaw, who already had Mr. Baillieu in his sights because of superannuation, thought of this. Mr. Shaw has his own problems and presumably will need head office support if he is to be pre-selected by the Liberals to re-contest Frankston in 2014. Perhaps Mr. Shaw concluded that, if Mr. Baillieu could drop Mr. Nutt in such a



cavalier fashion, he could do the same to him and that he had more to gain by stepping outside the Liberal tent than by staying inside.

The last issue is why Dennis Napthine was the logical successor to Mr. Baillieu. The answer lies in the internal dynamics of the Liberal Party. Ted Baillieu has lived with pronouncements about his imminent demise for the last few years. The odds were that he would take the latest sabre-rattling as seriously as he took the others.

Thus the odds were that if he were to quit it would be because he chose to quit — not because he was forced to. Mr. Baillieu's administration appeared at times to reflect a continuation of the internal

Liberal Party fights in which he had been involved over the previous 20 years, so it was hardly likely he would stand aside for somebody he had been fighting in the trenches in those battles. That ruled out Planning Minister Matthew Guy, regardless of his merits.

However it would be necessary for Mr. Baillieu's successor to have the support of what was called the Kroger-Costello group which now coalesces around people such as Matthew Guy and Energy and Consumer Affairs Minister Michael O'Brien. Mr. Guy served as Mr. Napthine's chief-of-staff when he was Opposition Leader and was more likely to be acceptable than other ministers associated with the Baillieu group.

Further Mr. Napthene is one of the handful of noteworthy performers of this Government and, in the eyes of those who did not know him, has performed above expectations.

Finally, the Liberals need to manage a generational transition because of their failures between 1999 and 2010. Electing Mr. Napthene enables that to happen. Thus they avoid the risk that a relatively untested prospect such as Mary Wooldridge or Michael O'Brien proves not up to the task. It also enables them to translate Mr. Guy to the Legislative Assembly in an

orderly way in 2014 rather than appearing desperate by persuading an Assembly member to resign and generate a by-election to make way for him.

Thus comparisons between last week's events and Julia Gillard's knifing of Kevin Rudd are as much a demonstration of the media's ignorance as they are a figment of their imagination. The so-called coup plotters would have been the least of Mr. Baillieu's concerns. He walked. He was not pushed. Given Mr. Baillieu's motivation and the demands of the job, there was always the possibility that there would be a straw which broke the camel's back, just as it was likely that if the backbench were to get organized superannuation would be the catalyst.

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