

## Mean, tricky, out of touch and not listening

By Graham Young  
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There is nothing startling in the contents of Shane Stone's memo to John Howard, leaked to Laurie Oakes at *The Bulletin*. They were notes of a meeting of all but two of the Queensland Liberal Party's elected members and Senators that was held the day after the last Queensland State election. As the Prime Minister noted, the consensus of the meeting was pretty similar to the consensus that would have come from any focus group at the time.

According to the Stone memo, the Queensland politicians said that Howard's government was seen as being mean, tricky, out of touch, and not listening. The issues that concerned them were largely tax related – the BAS form; GST on fuel, beer and caravan parks; the superannuation surcharge; and single-entity taxation. They felt that government ministers weren't listening to them and that they were being actively undermined by National Party ministers. Howard, Costello and National Party Leader Anderson all got a pasting.

This was all of two months ago, and the government has since moved to fix most of the problems so why is the memo suddenly news? It is news because it was leaked, and because Peter Costello and his supporters reacted so poorly to it. It is the leaking and the reactions, rather than the memo itself, that reveal problems for the government.

First to the leak. This indicates a government in disarray. Leaks are part and parcel of the business of media management, but they only start targetting internal opponents when things are not going well. Who benefits? This is the parlour game obsessing most national political journalists, and it is predicated on the assumption that there are two camps in the government – the Howard camp and the Costello one. This presumption is right, but I have yet to hear a convincing reason for what anyone on either side might have thought to gain vis-à-vis the other.

What is certain is that the document had a very small circulation. Stone apparently typed it on his laptop, printed it off, handed it to the PM and then deleted it from his hard drive. Everyone accepts that he was not the source of the leak, which means that it had to come from someone connected with the Prime Minister's office.

So why would someone connected with that office hand it over to Oakes? If it was to damage Costello they got their pitch badly wrong because his whole article takes the "Dear John" line putting the onus on Howard. Costello is mentioned, but he does not take the headlines. Some allege that there was no criticism of Costello in the meeting. Stone may have over-stated what criticism there was, but it is implausible to suggest there was none. After all, whose department oversees the GST, BAS, Superannuation...?

It is much more likely that if it was done with any rational motive it was to demonstrate that the Government was listening to the community, and without any thought it would cause the Costello/Howard tensions to surface. And those tensions only surfaced because of the way that Costello's supporters reacted and because there is an apprehension that the government will lose later this year.

How should Costello's supporters have dealt with it? Matter-of-factly, just like the Prime Minister. Electors are used to politicians covering up and slipping and sliding when they are met with criticism, especially when it is criticism that everyone accepts as true. Electors hate it so much, that they will reward politicians who make mistakes if they own up to them. Costello's supporters apparently don't understand this. Faced with the glaringly obvious they panicked and reached for



the standard defence of the kid caught with its hand in the biscuit jar – blame the dobber.

Suddenly every journalist in the country had decided that it was an iron law of politics that you should never write down any criticism of your party leadership. The question wasn't whether Stone's notes were correct, but why he was so incompetent to have written them down? I have news for those journalists. Not only do political parties keep copious notes of internal meetings often containing criticisms, but, for example, any piece of qualitative research worth paying for not only contains critical comments, it comes in multiple bound copies. Surely it's not a surprise to the denizens of print and electronic media that we don't live in an oral culture anymore. We write things down so that we will be able to accurately recall them in the future. The more important the thing, the more likely it is to be recorded. Why did so many journalists unanimously come to this ridiculous position? Because a group of people was working the phones, feeding them the lines.

The second defence was to claim that this information should have been made public to Costello months ago. I'd be surprised if Costello didn't know about it. After all, someone else in the meeting also purports to have taken notes which they have anonymously leaked to contradict Stone's version, and therefore, by implication, they are a Costello supporter. The Queensland Liberal Party is actually the strongest seat of pro-Costello sentiment in the country and any one of a number of participants in the meeting would have been on the phone to Costello afterwards. Particularly as that meeting also discussed Federal Intervention in the Queensland Branch which, inasmuch as it leads to the demise of the Santoro/Carroll faction, potentially diminishes Costello's support base. Costello is certainly aware in broad terms of his unpopularity. Not only is it present in the Liberal Party's research, which he would certainly know about, but he is said to be undergoing media training in an attempt to change it.

The repercussions of all of this were that a public rift was opened up in the Government and Stone's position was called into question at a time when the Government had other things to worry about – like the state of the Queensland Liberal Party and two by-elections – and just when it was starting to gather some momentum again. And all for nothing. Because, while there are two groups in the Liberal Party, Peter Costello is not challenging for the leadership this side of the next election. He doesn't want it, and he wouldn't get significant support for it, even if he did.

The entire issue seems to have been driven by the touchiness of the Costello side and this touchiness is a problem for the Liberal Party going into the next election because it is making the team dysfunctional. While Stone's notes are useful, they are not particularly illuminating. They suffer from the standard limitations of focus groups. They are episodic, dealing with specific issues, but not really relating to any overarching themes – what George Bush Senior called "the vision thing". They tell you where the patient hurts, but not what is ailing them. The best politicians earn their living by changing the framework in which focus groups operate and so changing the perceptions of those groups.

The Hawke/Keating government was particularly good at this. When you look at the changes it made and the electors it upset, its achievement in implementing those changes at the same time as maintaining its popularity is way in front of the Howard government. An integral part of its political communication was what I will call the Arthurian model, but which you might just as well call "Good Cop/Bad Cop". Hawke sat at the Round Table preaching unity through consensus while he sent his knights out to do the hard and nasty work. None was better than Keating, and he gloried in it. As a result, discontent with the government could be earthed out through members of the ministry, rather than the Prime Minister. This works well for the King while he is there, but doesn't help any of the hapless knights to hold the kingdom should they succeed to the crown.

Do thoughts like these exercise Costello's mind? They might, because he seems to be excessively concerned about popularity. Even if they don't, his reaction to this leak shows that he is likely to be tender when it comes to making the big hits. Howard has only ever really had two politically capable senior ministers – Costello and Reith. Reith is somewhat sidelined at the moment because of the phone card affair, in a portfolio – Defence – which is unlikely to affect votes one way or the other in the next election, and defending a highly marginal seat. That leaves Costello. As a result Howard finds himself having to do the hard and dirty work, and copping the



odium for it, which tends to drag the whole government down.

The facts of the matter are that, despite what the Queensland Liberal members say, the government might be tricky, but it is not mean. As Labor gleefully points out, it is now spending a greater proportion of GDP than any previous government, including the much maligned one of Gough Whitlam. Not the sign of a scrooge. Its problems are ones of perception and implementation rather than absolute substance. Liberal Party image-makers appear to have recognised that and are trying to remake Howard. That Costello is being precious about his image confounds that strategy. Not only that, but it forces the government to be more profligate than it should be. The trick to making government decisions look better is to show them in the light of a much worse alternative. It is the Treasurer's job in these economically driven times to provide that much worse alternative, thus allowing the government to drive a better bargain with the electorate and give less back.

Twelve months ago the government was looking at a substantial surplus. Now, courtesy of retreats, that surplus has probably been cut to around zero. This has happened because it has been forced to give in on too many points. It is overwhelmingly probable that a large surplus was a major plank in the Government's re-election strategy. Whatever the economic merits of surpluses they are good for one thing – tax cuts – and it is a Liberal Party tradition to go to elections offering large tax cuts rather than increases in government programmes. This must be a good strategy, for it kept non-Labor governments in power in this country for two-thirds of the last century!

There is a better-than-even chance that the Liberal Party will lose the next Federal election, but they are not yet beyond hope. If they can consolidate and concentrate on exposing the Opposition's positions at the same time as minimising their own exposures it is possible they will prevail. If they do not win the next election Peter Costello is likely never to become Prime Minister.

However, if Costello continues to sulk in his tent, the Government's chances of winning the next election are diminished, and with them his chances of ever becoming Prime Minister. It is time for him to fess up and shape up, forget about the personal factional manoeuvring and concentrate on the mêlée. Faint heart never a fair hand won, and neither do primping and preening win elections.

Graham Young is chief editor and the publisher of *On Line Opinion*. He is a writer, and a former vice-president and campaign chairman of the Queensland Liberal Party.