

Grattan on Friday: In Conversation with Nick Xenophon

Written by Michelle Grattan, Professorial Fellow, University of Canberra

The Nick Xenophon Team (NXT) is to this election what the Palmer United Party (PUP) was to the 2013 one. It is potentially the next big new thing in the Senate.

PUP in 2013 won three Senate seats – in Queensland, Tasmania and Western Australia – and one in the House of Representatives. NXT, on current polling, is set for at least three South Australian senators, including Xenophon himself, who has been in federal parliament since 2008.

Xenophon says NXT has a “fighting chance” of Senate wins elsewhere “given some national polls showing support between 3-5%”, although ABC election analyst Antony Green doubts this. But Green gives it “a good chance” in the SA House of Representatives Liberal seat of Mayo.

On the basis of its likely SA Senate numbers alone, NXT – like PUP before it – would have a significant slice of the balance of power in the upper house.

PUP’s seats were gained thanks in very large part to Clive Palmer’s money, which financed a massive advertising blitz. PUP surfed on the disillusionment of many voters with the major parties.

NXT is a product of the extraordinary personal popularity of Xenophon, who in the 2013 election – a normal half-Senate poll – won nearly two Senate quotas.

NXT is also tapping into the discontent in the electorate, which is at a high point. This week’s Newspoll showed 15% support for “others” – the category covering parties other than the Coalition, Labor and the Greens, as well as independents.

In SA, hit hard by the decline of manufacturing, Xenophon’s protectionist and populist platform resonates strongly. He is pitching as a man of the centre who could negotiate with a Coalition or Labor government. He describes his platform as “not ideological” – rather, it is “about solving problems”.

He will not say which side NXT would opt for if it were a player in a hung parliament – which could only happen if it had representation in the lower house.

In an interview with *The Conversation*, Xenophon rejects the proposition this refusal is a cop out, with several defences. “We haven’t seen all the policies of the major parties,” he says, and “[you’d] need to take into account who the other crossbench members of the lower house would be”. He argues it would be necessary to talk with the major parties to determine their attitude on key issues.

Finally, he insists there’s only a 0.0001% chance of a hung parliament. Xenophon expects a Coalition win even if Bill Shorten received a majority of the popular vote.

The Liberals hope a re-elected Turnbull government would find NXT reasonable to deal with in the Senate. Xenophon says: “I want to be pragmatic and constructive with whomever forms government.” But he indicates he’d extract his pound of flesh. He’d use his clout to stand up for manufacturing, such as fighting for the embattled Arrium steelworks in Whyalla.

He has given support to the Coalition’s proposed company tax cut only up to a A\$10 million turnover threshold. He’d seek to block legislation to implement the Trans-Pacific Partnership agreement. John Howard this week drew a parallel between Xenophon and Pauline Hanson on trade, which Xenophon rejected as mudslinging.

When the question of a government having a mandate for its program is put to him, Xenophon counters by pointing to the Senate’s mandate. He says the upper house is there for the states and as “a bulwark against excesses of executive power”.

He notes a key difference with the United States where “they, it seems, have this incessant deadlock”. In Australia, “if worst comes to worst, and I’m hoping it won’t be the case, there is a deadlock provision that can be dealt with in terms of a double dissolution”.

He immediately realises the political danger in that comment – the voters wouldn’t want another double-dissolution election – and stresses the rarity of double dissolutions. Even so, his answer

continues to nag at him after the interview.

PUP fell apart very quickly because Palmer was an impossible leader and his senators a disparate set of individuals with little in common. Xenophon is confident the same wouldn't happen to NXT – although when he was in the SA parliament and a running mate was elected late in the piece, the relationship didn't end well. He points out he's long known and worked with the two SA candidates expected to be elected to the Senate – one just missed out getting in last time.

In Mayo, located in the picturesque Adelaide Hills, the luck has fallen XPT's way. Incumbent MP Jamie Briggs had to resign from the ministry late last year over an incident in a Hong Kong bar involving a female public servant. NXT candidate Rebekha Sharkie is a former staffer of Briggs. When the Hong Kong matter came out she recalled from her time in his office that "there were things said that were misogynist in nature".

Mayo has gone down to the line before, when in 1998 it nearly fell to Democrat candidate, singer John Schumann. A ReachTEL poll done in mid-May had the Liberals on 39.6%, NXT at 23.5%, Labor 18.3% and Greens 10.7%. Whatever happens in the end NXT has Liberals nervous about the seat. The Xenophon forces have even put Industry Minister Christopher Pyne under pressure in Sturt, though he is expected to be safe.

Xenophon spent two days in Mayo this week. On Wednesday, as he set out for the second day, he looked tired and stressed. He's normally fairly harried but the strain of carrying a party on his shoulders is obvious.

At a meeting of about 40 in Lobethal, one of the many German-settled towns in SA, his reservations about the TPP went down well with his audience. He told a questioner who asked about preferences that NXT would run an open ticket in Mayo. His well-used joke that when NXT was renamed sometime in the future he'd really like to call it the "at least we're not as bad as the others party" prompted the laugh it was inviting.

Xenophon is anxious to claim that NXT is not all about him. He says adopting a new, less personal name before the election would have been all too hard in terms of recognition, and expensive. But of course the party IS all about him. If he did not enjoy such personal popularity

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it would not exist, let alone be emerging as a likely significant player in the new Senate.

It is one of those parties almost certain to be a relatively short-term phenomenon in the Australian political firmament. On the balance of probabilities even if all goes well, it would be unlikely to survive much beyond the political career of its founder. The question is what it will do and can achieve while it lasts.

Below is an edited transcript of The Conversation's interview with Nick Xenophon recorded in his Adelaide office on Wednesday, June 8.

Michelle Grattan: Nick Xenophon, how many seats do you think you can win in the Senate? And do you think you've got a chance of a house seat?

Nick Xenophon: I can only tell you what the polls are saying, and the polls are saying voter support's at around 20% in South Australia. Let's see what happens between now and election day because I expect there will be a massive onslaught by the major parties.

When the major parties are talking about preferencing each other ahead of my team, which is a party firmly in the political centre, that would obviously affect our chances. But, at this stage, if you believe the polls, three Senate seats in South Australia and a fighting chance in the other states, given some national polls which show support between 3% and 5%.

And in the lower house, again, I know of one poll in Mayo, another in Sturt, which shows us coming second to the Coalition's sitting members. So, you'd have to think that there would be a chance there, particularly in Mayo, where there does seem to be quite a strong level of support for Rebekha Sharkie.

MG: Newspoll is showing a very high level of voter support for so-called "others" – that is, those other than the Coalition, Labor, and the Greens. Why do you think this is so?

NX: Because I think people are fed up with the cosy Coles-Woolies duopoly of the major parties; that they feel it is a case of Tweedledum and Tweedledee; that after seeing the so-called leaders' debate a couple of Sundays ago, it almost felt like the Seinfeld election – an election about not much at all.

And, I think that there is a real hunger to fill that vacuum, where it seems politicians have learnt their lines by rote in terms of the major parties, and there just doesn't seem to be that connectiveness to the concerns of Australians – particularly on issues such as gambling, on jobs, on free-trade agreements and on issues of government accountability.

MG: Just absolutely in a nutshell, how would you summarise your platform?

NX: A platform from the political centre that is not ideological, that is about solving problems; where the three core principles, I think, are also a litmus test about good government in this country: in terms of predatory gambling, whether it's pokies or online, about Australian-made and Australian jobs, which brings in the role that successive Australian government have played in not negotiating free-trade agreements well, and about government transparency and accountability.

The fact that senator Conroy's office was raided two-and-a-half/three weeks ago indicates that neither parties are willing to take on those official secrets provisions in the Crimes Act that really stymie material that's in the public interest reaching the public without fear of people going to jail.

MG: Do you think that the last Senate was dysfunctional?

NX: No, the last Senate was a Senate that had to be considered also in the context of the Abbott government's policies. The 2014 budget was a shocker. It was full of broken promises. It wasn't a budget that was so much about a mandate, it was about a reverse mandate. There was never a mandate to do what they wanted to do to Medicare, to young job-seekers, to universities.

But, people forget that the crossbench did support the government in terms of policies in respect of abolishing the carbon tax, abolishing the mining tax, dealing with border protection issues in a way that would make sure that the people-smuggling trade wouldn't start up again. And also Direct Action as an alternative mechanism to deal with carbon pollution.

MG: You look like you'll have a fair share of the balance of power in a new Senate. How aggressively are you willing to use that share of the balance of power? And do you accept that a government does have a mandate for its main programs?

NX: Well I'm not an aggressive person, but I will be forthright and I've been upfront in terms of my priorities. I do not want Australian manufacturing to wither and die – which is really one of the issues that this election needs to be about.

I want to do everything I can to make sure that the Arrium Steelworks in Whyalla, the last remaining major manufacturer of structural steel in this country, thrives and prospers – that it gets out of administration and becomes a strongly viable facility. Without structural steel in this country, you actually lose all the steel-fabrication businesses. In terms of the second part of your question ...

MG: On mandates ...

NX: On mandates. Well, governments have a mandate to introduce legislation. The Senate has a mandate to scrutinise that legislation and I don't say that flippantly. I say that in the context that there are many hundreds of thousands of Australians that vote differently between the lower house and the upper house because under our Constitution, under our system of government, the Senate is there to represent the states. It's also there under its proportional representation system to be a bulwark against excesses of executive power.

MG But, nevertheless, the overwhelming number of voters are voting for the government compared to voting for the crossbenchers. So shouldn't the government's mandate override the Senate's mandate?

NX: Well, not if you're campaigning on something completely contrary.

I mean, if South Australians are voting for me, and other Australians are voting for the [Nick Xenophon] Team to do something about predatory gambling, about Australian-made and Australians jobs, about government accountability and transparency, we've got an obligation to our supporters.

So, the great thing about the Australian political system compared to the US – where they seem to have this incessant deadlock because their system of government is quite different, even though our Senate has been modelled, to a large extent, on the US Senate – is that, if worst comes to worst, and I'm hoping it won't be the case, there is a deadlock provision that can be dealt with in terms of a double dissolution.

Now, I don't expect that that will happen again. I think that double dissolutions need to be something that happen very, very rarely in our system and this is our first double dissolution for over a generation. So I think I would not be doing my job for the people that support me and my team unless we stood up for what we believe in and have campaigned on.

MG: I don't think people voting for you would want you to bring on another double dissolution.

NX: Absolutely not, absolutely not, and I'm just making that clear. But I'm saying that I think the government ... we have that check and balance in the system.

I supported the ABCC [Australian Building and Construction Commission] legislation going through to a second reading vote – unlike most of my crossbench colleagues, and unlike the majority of the Senate. I want to be pragmatic and constructive with whomever forms government.

MG: Now, you've criticised aspects of free-trade agreements. Would you try to alter or stop legislation for the TPP [Trans-Pacific Partnership] when it comes up?

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NX: Look, the Trans-Pacific Partnership is something that neither the presumptive Republican nominee, Donald Trump, nor the presumptive Democratic nominee, Hillary Clinton, want.

When both major parties in the US say they will not support the TPP, then why are we going down this path? I am not against free-trade agreements, but I am against trade agreements that are negotiated badly that are not in the national interest.

MG: So you would try – just assuming that that legislation did come up; that it somehow did get through in America – you would try to stop it here?

NX: Well, I couldn't support it based on its current provisions. I think they have been negotiated badly. They've been negotiated in secrecy.

We need to look at the American system where the Congress, where the Senate has a role, before these agreements are finalised. These agreements are presented to the Parliament of Australia, to be effectively rubber-stamped. That's not a good system.

MG: Just to be absolutely clear – if you are able to, you would stop it?

NX: Yes.

MG: Now, John Howard this week suggested there were some parallels between you and Pauline Hanson. Now I know you pushed this off and you said: "thanks John, for the publicity". But what is your substantive answer to that allegation?

NX: Well, Michelle, my difficulty is that I don't want to give Pauline Hanson any oxygen and I'll try to keep my answer short. I reject her attitudes on migration, on race, on religion. I think that they are incredibly destructive.

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I support well-negotiated free-trade agreements that are in our national interests. I believe that what Ms Hanson is proposing is not a solution to our nation's problems and that her views on migration, on race, on religion, and particularly on Islam, are quite repugnant.

MG: Everyone agrees that you'll get two more senators in from South Australia, as well as yourself. So can you just tell us briefly who are these people who will be coming in? And how did you source them? How well do you know them?

NX: Stirling Griff is someone that I've known for the best part of 20 years, when he was head of the Retail Association of South Australia. He was in fact the only business leader that came out and supported me opposing privatisation of electricity assets because it wasn't well-thought-out. It was in direct breach of a government promise by the then-Olsen Liberal government.

We've got to know each other very well over the years. He has my full trust and support. He is a terrific bloke to work with. He's bunkered down as the campaign director doing the same sort of ridiculous hours that I'm doing at the moment. And I really want him to get elected because he just missed out last time because of preference deals that the major parties and minor parties cobbled together, which saw Family First elected on Labor Party preferences.

So, a party to the right of the Liberal Party was elected on Labor Party preferences, which I thought was a spiteful decision made by the Labor Party to reduce the influence of what I stand for.

Skye Kakoschke-Moore, she's number three on the ticket. She has worked as my senior advisor for a number of years. She actually put her hand up without me knowing. She went through a process to apply, to be a candidate, as did many other people around the country and in the state. And she went through it with flying colours.

I worked with Skye closely for the best part or over five years. She is well-respected by both sides of politics that have worked with her. She has a great grasp of policy detail and she will be a terrific addition to the Senate as well.

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MG: Even though you know these people well, do you think that there's any danger that the team could, over the longer term, fragment in the way we saw the Palmer United team fragment?

NX: No, for a whole range of reasons.

First, the structure of the party is different. I believe the way it has been operated has been very consultative. It is a very cohesive structure.

The other thing is that there's this attack on me that it is personality-based politics. Well, I said on the first day when the team was launched [that] it was called the Nick Xenophon Team, because to call it something else would have cost a fortune to re-badge the group – a fortune that we don't have.

And, after this election, assuming there are others that join me in the federal parliament, I want to change the name to something else.

MG: To what?

NX: Well, Michelle, I've speculated publicly that I like the name "at least we're not as bad as the others' party", but I don't know if I'll get the numbers on that. I think we will change it to something else. The Michelle Grattan Movement appeals to me but I don't think we'll get that through either.

MG: But, look, it is a personality-based party. How can you possibly claim anything else?

NX: No, it's because people know me, and there are people that are running that ...

MG: And you are a very good vote-winner.

NX: You call me a vote-magnet. I've never heard that before, so I think I should be flattered, but ...

MG: But you can't deny that this party is around personality and if you quit politics in two years, five years – there wouldn't be a party.

NX: You know the great consumer advocated Ralph Nader once said the function of genuine leadership is to create more leaders, not more followers. And what I'm trying to do is to have like-minded people, people from the political centre, that actually are passionate about Australia's future, that want to find non-ideological solutions to the nation's problems, to step up and come forward, as they have, to get elected to the parliament, which I hope will happen after the next election, and to make an ongoing contribution.

This is much bigger than just me. And that's why you'll see the group – the party – morphing into something else after this election – and that's a good thing. So, that seems to debunk this personality-cult politics, which is both bemusing and disappointing.

MG: If you got a lower house seat and if there were a hung parliament, you've said you'd negotiate with both sides. You won't say which side that you would favour supporting to be in government. Isn't that a bit of a cop-out though? Aren't you just trying to avoid saying to voters, "well I would go with the Libs or I would go with Labor"?

NX: It's not a cop-out at all. How can it be a cop-out if we haven't seen all the policies of the major parties, if it is a hypothetical ...

MG: But we have seen the policies, we will have seen the policies ...

NX: Well, they're still rolling them out. And in the highly unlikely event of a hung parliament, you

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need to take into account who the other crossbench members of the lower house would be.

It would be necessary to sit down and talk to the major parties to see what their attitudes would be on a number of key issues, and for me to indicate which side I favour – and I genuinely don't favour either – would be a very silly thing to do in terms of a negotiating position.

I would almost be like some of the trade negotiators for some of our free-trade deals which I don't think were negotiated very well.

MG: At a personal level, what sort of relationship do you have with Malcolm Turnbull and Bill Shorten?

NX: Well, I've known Malcolm Turnbull longer than I've known Bill Shorten. I had a fair bit to do with Malcolm Turnbull as opposition leader when we worked on an alternative emissions trading scheme through Frontier Economics, which I thought was a very good exercise – [it] got done quite well. [I] respect Malcolm. He's very charming and affable.

Bill Shorten – I've had a bit to do with, when he as a minister in the Gillard government. And we get on fine. It's a case of not being able to spend much time with either leader because we're all busy.

But the relationship with both men is, I think, very constructive and cordial. I like both of them at a personal level. I'm willing to work with either of them, but I still think that it is a 0.0001% chance that there will be a hung parliament.

MG: Are you saying that partly because you know that people would be a bit more wary of voting for your party if they thought that that was making it more likely that there will be a hung parliament?

NX: No, I'm saying it because I cannot see how the Coalition with 90 seats out of 150 in the

lower house, in the House of Representatives, is going to lose anything more than seven to 10 seats.

MG: So, you think they'll win?

NX: Yes, I do. I think Bill Shorten will make some inroads. I think he's been campaigning quite well – but as is Malcolm Turnbull.

And I think we may have a 1998 situation where the Coalition loses some skin and loses a number of seats and that the ALP might even win the popular vote. They might get 51% of the popular vote but still fall a fair degree short of the number of seats they need.

MG: Now finally, you came in on a platform of fighting gambling. And now you stand on the brink of having a great deal of power in the Senate. And yet, you haven't been able to deliver on that fundamental original platform. Why is that? And do you think you could deliver in the next term?

NX: Well, it'll be on my tombstone: "here rests the no-pokies guy". It'll always be at the core of what I do because gambling policy is a litmus test of good government. The fact that governments, particularly state governments, are willing to sacrifice their citizens for gambling taxes when we've got the highest level of gambling losses per capita in the world is very telling.

And the pernicious influence of the gambling lobby, which I understand is now making big donations to the major parties that attempt to thwart me and the Greens, is interesting.

So, the simple answer is that I've continued to be an advocate for those who have gambling problems. That's behind-the-scenes work that people don't see. I'll continue to agitate for this. But I believe that with other like-minded people joining me, we will be able to achieve so much. At the moment, I'm one voice out of 226 ...

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MG: Well, you did have Andrew Wilkie ...

NX: And I want to make that clear. Andrew Wilkie, the Greens, other crossbenchers have been absolutely terrific on this issue, but if there's more ...

MG: But nothing much has been achieved?

NX: Well, in a democracy, you never give up to change bad legislation, to bring about legislative reforms that will be in the public interest. So, I'm not giving up. Much to the chagrin of those in the gambling lobby, I'll continue at this even if I wasn't in the parliament. I'll continue to be an agitator on this issue.

MG: Nick Xenophon, thanks very much for talking with The Conversation today.

Michelle Grattan does not work for, consult, own shares in or receive funding from any company or organization that would benefit from this article, and has disclosed no relevant affiliations beyond the academic appointment above.

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