

Grattan on Friday: A kinder, gentler Senate - at least for now

Written by Michelle Grattan, Professorial Fellow, University of Canberra

This first week of the new parliament has been bitter sweet for Senate leader Mathias Cormann.

With journalist Niki Savva's book *Plots and Prayers* out on Monday, Cormann that morning [faced yet another barrage of questioning over his role](#) in last year's coup against Malcolm Turnbull.

His spectacular desertion of the then prime minister has much tarnished Cormann, and it is certainly not pleasant to be asked in a radio interview about being seen as a "political Judas".

But while Cormann's personal reputation has taken a big knock from the events of August, his reputation as a Senate wrangler has been retrieved with the Thursday passage of the government's \$158 billion three stage tax plan. Cormann had failed last year to get the then crossbench to pass the tax cuts for big business, which he persuaded Turnbull to hang onto for far too long, costing the government votes in the Longman byelection of Super-Saturday.

Despite Cormann's insistence there would be "no deals" to secure the income tax package, agreements there were, although there's some lack of clarity around the edges. Centre Alliance extracted undertakings on gas policy. Jackie Lambie, the last crucial vote, [has been promised help for Tasmania on the housing front](#). There may be debate about what constitutes a "deal" but the government would fail to live up to its word at its peril.

Read more: [***Morrison's \\$158 billion tax plan set to sail through Senate after deals with crossbenchers***](#)

There will also probably be plenty of such deals ahead, even if Cormann declines to acknowledge them as such.

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This initial parliamentary week has vindicated the observation that the Senate non-Green crossbench, smaller than the last, is set to be easier for the government to cope with.

Notably, the two Centre Alliance (formerly called the Nick Xenophon Team) senators have a consultative arrangement with Lambie (back in parliament after her time out because of [her citizenship problem](#)). This is not an alliance, and they and she are very different politically. (Centre Alliance has shades of the old Australian Democrats, with which the Howard government struck important agreements over legislation, especially on tax and industrial relations.)

But the Centre Alliance-Lambie arrangement to talk on issues should work to the government's advantage, not least because it will mean the very volatile Lambie won't be so isolated, and thus angry and alienated, as often [in the past](#). The Centre Alliance senators, Stirling Griff and Rex Patrick, showed her respect by going to Devonport after the election – and Lambie craves respect.

Whenever the government can work with Centre Alliance and Lambie, it won't require One Nation's two votes, something that [will infuriate Pauline Hanson](#), who needs relevance.

The government was desperate to get the tax cuts through this week, despite time being tight due to the ceremonial commitments with the opening of parliament and the tributes to the late Bob Hawke. It wanted the first stage to be available for payment as quickly as possible after the due date of July 1. The money will be flowing in a week or so.

Labor was always going to be placed in a difficult position over the tax package. It felt it could not drop its argument of the election campaign that the third stage, paid from 2024-25 and costing \$95 billion, was irresponsible given economic circumstances can't be known so far ahead.

But to be voting against tax relief on which the re-elected government could be considered to have a clear mandate (if campaign promises mean anything) would leave Labor open to continued attacks.

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The opposition's contortions have been understandable but awkward, making the early days of new leader Anthony Albanese messy.

Inevitably, [Labor's final position](#), announced shortly before the Senate vote, was that if it couldn't get its way with amendments it would not oppose the package.

But it also said it would "review" the third stage closer to the election, due in 2022. This sounds unrealistic – would a Labor government be able to roll back legislated cuts anyway? And it is politically counter-productive, keeping the argument alive.

Read more: [**Stages 1 and 2 of the tax cuts should pass. But Stage 3 would return us to the 1950s**](#)

There are some hints of changed dynamics in this parliament compared with the last. While Scott Morrison pours out the harsh rhetoric at his opponent ("this is a Labor Party which has more in common with Jeremy Corbyn than Paul Keating" he told parliament), the Prime Minister invited Albanese to his office on Wednesday to canvass areas of potential bipartisanship, especially Indigenous reconciliation and recognition.

Talk of bipartisanship is an easy gesture at the start of a term and mightn't last. There have been such suggestions in previous parliaments. But equally it might be another pointer to Morrison's pragmatic style. He may want to carve out some battle-free areas.

The new parliament's first question time, which was on Thursday, also gave a hint of the Albanese approach. The opposition questions were framed tightly, without waffly preambles, designed to stop answers being just a rant. It's a tactic that forces ministers, and the Prime Minister, into greater relevance.

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It is to be hoped the opposition and the Speaker Tony Smith can hold the government to the point in answers this term. It has got away with far too much.

The cloud over the government's political success this week was the delivery of yet another worrying message about the economy, with the [Reserve Bank cutting interest rates for the second consecutive month](#) and a fresh exhortation from Bank Governor Philip Lowe for further government action, beyond the tax cuts.

The bank wants unemployment and underemployment down and the spare capacity in the economy taken up. Australia is exposed to the risks in the international economy. Historically-low interest rates could be pushed down further. Lowe pointed to the need for more infrastructure spending and structural reforms that "support firms expanding, investing, innovating and employing people".

Read more: [Back-to-back Reserve Bank cuts take interest rates to new low of 1%](#)

The only certainty about the Australian economy in the months and years ahead is uncertainty.

Presumably the government sooner or later will have to respond to Lowe's high-end hectoring, which will require some challenging decisions that can't be delivered by deals, however characterised.

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

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