

Memo from ‘Bongo Land’

Brumby. That’s what they called him. Or, at a stretch, JB. It was as though his Christian name – John – didn’t exist or didn’t matter. Only John Button, the diminutive Victorian senator and serial contrarian, differed, calling his young colleague Brums.

Then there was the way people said his name. Brumby, like mate, could carry a welter of meanings, depending on the tone of voice, the manner in which the vowel was stretched, or, in the case of future Brumby loyalist Rob Hulls, the sheer volume of delivery. It was a name that could be spoken, laughed, sworn. Back in 1990, though, as the Hawke government fought for political survival, the name Brumby was, for the first but not the last time, sighed as though in anticipation of defeat.

Defeat was a new concept for Brumby. At 37, he was a three-term veteran of the federal parliament and often mentioned in journalistic dispatches as ministerial material. Brumby was a doer. A man with an abnormally high quotient of competitive zeal – mongrel even – who had been on the ascent ever since he won state medals as a schoolboy swimmer. Looking back from the vantage point of political retirement, Brumby says he doesn’t know where the drive came from: ‘I don’t know what makes people what they are. A bit of this and a bit of that; a bit of genes and a bit of family.’ In the case of Brumby, the drive had much to do with his father, Malcolm.

Malcolm Brumby, like his eldest son, was a doer. He had moved from Perth to Melbourne with his family when he was twelve, but maintained contacts in the west and was on friendly terms with WA premier Sir Charles Court. Brumby Sr saw action in the Pacific during World War Two on the Q-class destroyer HMAS *Quiberon*. After the war, Malcolm married Alison Aird and rose through the corporate ranks to become managing director of footwear manufacturer Ezywalkin Shoes, before reinventing himself post-retirement as a conservationist and farmer in the Western District's Konongwootong Valley, near Coleraine.

Malcolm and Alison Brumby based themselves in the leafy middle-class suburb of Ivanhoe while their children, John, Richard, Jim and Susan, made their collective way through secondary school. John followed Malcolm's footsteps, attending Melbourne Grammar, where he socialised with future political rival Ted Baillieu. He then studied commerce at the University of Melbourne.

The Brumby children weren't mollycoddled. Malcolm forced John to try debating at Melbourne Grammar. 'Debating used to scare the shit out of me,' he says. During school holidays, the Brumby clan drove to the furthest reaches of the Western District, where the kids were put to work. Brumby recalls the weeks spent carting thousands upon thousands of hay bales. 'I used to do the hay carting down there and you'd look down on the river flats, and there you were surrounded by a sea of bales,' he says. 'Frigging hay bales everywhere.'

By the time he was 15, Brumby had been shanghai'd into the family business, working part-time at an Ezywalkin Shoes shop in South Melbourne. This was 1968, when Australia was only beginning to wake from the slumber of the Menzies years and realise the horrors of the Vietnam War; a time when the inner city was decades away from becoming a byword for hipsters, and South Melbourne was the stamping ground of migrants and factory hands. 'Our biggest sellers were the Crosby slip-ons, which were a dollar a pair,' Brumby says with photographic recall.

For young Brumby, working at Ezywalkin Shoes was a life experience; for others, it was life. One of the teenagers he worked alongside

wanted to study accounting and economics, and matriculated high school with similar marks to the future premier, but didn't go to university. He had to work to support his family.

At Melbourne University, young Brumby drifted. 'I was a very poor student,' he says. 'I spent most of my time playing blackjack and drinking ... and I did a lot of part-time work.' By the time he graduated he was 'not very happy. I had no idea what I wanted to do. Absolutely no idea.' The logical decision would have been to keep following in Malcolm Brumby's sizeable footsteps, right into the footwear trade, but the young man made what, at the time, must have seemed a radical departure. He became a teacher.

'I had never thought of teaching,' Brumby says. Still, it proved to be the making of him. By 1976, this private schoolboy from Melbourne's middle classes, a kid scared shitless by public speaking, was teaching consumer education, typing and shorthand to teenagers from one of country Victoria's poorest communities, Eaglehawk.¹ Already politicised by the dismissal of Gough Whitlam's Labor government in 1975, Brumby became a community activist – helping establish and run programs to ensure Eaglehawk's students had somewhere to go for breakfast before school, sports and activities to keep them occupied during and after school, and services from the local community health centre. By 1980, Brumby was out of the classroom and working as an organiser for the Victorian Teachers' Union.

At the time, Victorian Labor hadn't won a state election since 1952. When state secretary Bob Hogg started modernising the ALP's most moribund branch, one of the young turks he recruited to help was Brumby. This wasn't the Victorian Labor that, within a generation, would hijack the national policy agenda and earn a reputation as the ALP's most intellectual and arrogant branch. Back then, Victorian Labor was coming out of a generation of splits and vendettas to rival the People's Front of Judea in Monty Python's *The Life of Brian*. Or, as Button once put it, 'Bongo Land'.²

'The place was a shambles,' Hogg recalls. 'We didn't have much money. We had to live off our own resources.' Brumby was one of

those resources. Hogg liked the look of the young unionist. 'He was young, very handsome, had a bit of a roving eye, wore an earring,'³ he says. When candidates were called for the unwinnable upper house seat of Midlands in the 1979 state election, the application of the only eligible Labor member was conveniently lost, leaving the door open for the 26-year-old Brumby, who hadn't been a member for the requisite two years, to gain valuable campaign experience. In 1980, Hogg seconded Brumby from the teachers' union to work at the ALP head office at 23 Drummond Street, Carlton, as an organiser, covering local branches in Knox and Monbulk.

It was a good time to be around Drummond Street. The turn of that decade was a golden era of policy development, when – in the aftermath of the Whitlam dismissal – a new generation of educated professionals flooded the party. A policy unit, the Labor Resource Centre, was established next door to the head office. Headed by Jenny Macklin, a future deputy leader of federal Labor, the unit became a fountainhead of ideas for future Labor state and federal governments.

John Cain fought alongside Button and others to modernise Victorian Labor in the 1960s and, in 1982, went on to be elected the state's first Labor premier in 27 years. He says one of the legacies of the Whitlam dismissal was that, between 1976 and 1980, left-wing, right-wing and independent factions stopped fighting among themselves. 'The policy work that came out of the party in those four years has never been seen since or before, I think. It was a crucible of ideas,' Cain says. 'The Labor Resource Centre was a product of people like Jenny Macklin, Brian Howe [another future deputy prime minister] – [Cain government minister] David White was another who was in it. It just recruited experts on a whole range of policy issues and from outside the party ... The policy work was prodigious. And the factions had a common purpose.'⁴

After a quarter of a century in the cold, Victorian Labor finally learned how to rub two sticks together and make some heat with policies. Victorian ideas, such as the need for a national power grid, became federal Labor ideas, then turned into realities once the Hawke government was elected. Brumby's rise went from rapid to turbocharged in

the year leading up to 1983. Despite his time at Drummond Street, he wasn't a member of a faction, let alone a member of Labor Unity, the right-wing group that held sway over his old stamping ground of Bendigo. After working the outer eastern suburbs of Melbourne for a few years as an ALP organiser, Brumby returned to the country to work for the teachers' union – just five months before preselections opened for the regional seat of Bendigo.

It is possible to win Labor preselection to stand for a state or federal seat with either strong support from local branches or strong support from a faction – but, in 1982, Brumby had neither. 'All of the locals were locked in and Labor Unity, centrally, was locked in,' he says. That changed when four Labor Unity members – including factional leader Robert Ray and policy wonk Gareth Evans – stood up at the meeting that would decide the Right candidate and pushed for Brumby's preselection. 'Had those four people not stood up I would have got, you know, 10 per cent of the vote at best,' Brumby says. 'As it happened, there were six candidates and it took five ballots and I won it 34–36.'

As Labor Unity's anointed candidate for the federal seat of Bendigo, Brumby threw himself into the campaign for the 5 March election – unseating the Liberal Party's whip, John Bourchier. According to a report in *The Age* on 7 March 1983:

The energetic teacher has packed a political lifetime into four weeks. Mr Brumby ran an old style country campaign mixed with big city savvy ... From the day the election was called Mr Brumby worked tirelessly eighteen hours a day, and estimates that he met almost every worker and manager in every factory and business in the electorate ... Mr Brumby's message was clear: a Labor Government would provide stability for the textile and manufacturing industry and retain high protection.

By 1990, the message was no longer as clear. The world had changed and there was precious little protection or stability for the textile and

manufacturing industries in Victoria, and the state government led by John Cain was at the eye of the storm. Cain was seen as honest and decent. His government had engineered countless social reforms, from the creation of Melbourne's café culture through to liquor reforms and the establishment of VicHealth, the world's first health promotion body funded by tobacco taxes. For 86 consecutive months, Victoria had Australia's lowest unemployment rate as Cain rowed against the tide of economic liberalism, maintaining expansionist Keynesian policies that saw his government boost the state's economy by increasing capital and recurrent spending. Then the tide turned, with manufacturers hit by falling tariffs, businesses squeezed by high interest rates, and thousands of investors traumatised by the collapse of the Pyramid Building Society. Brumby says: 'They were a runaway success until the shock to the system, which was interest rates at 18 per cent, and then Keating – Keating largely got the [federal] budget back into surplus by cutting middle-class welfare and secondly cutting the states.'

Unemployment jumped into double figures, home loan interest rates skyrocketed, more than 250 trams jammed Bourke Street as part of a protracted industrial dispute and, politically, the Pyramid disaster became conflated with the earlier collapse of the state-owned Tricontinental Bank, which had threatened to bankrupt the State Bank of Victoria. Meanwhile, the factions blocked Cain's attempts to cut spending and regain control of the state's finances.

Some crises are political confections, created to win elections and manufacture consent. The Victorian crisis of 1990 was no confection. It was all too real: just ask my family. The Deanes had seen tough times before – for a year in the early 1980s, when we were living in Mooroopna in the Goulburn Valley, we couldn't afford meat – but this was worse. Mum and Dad were running a newsagency in the inner city suburb of North Fitzroy, and they were drowning, struggling to stay afloat while they searched for someone to buy the business.

Dad surrendered. Took himself to Eildon to fish and wait for the bank to repossess the business and the family home. Mum didn't. She put on her best clothes, caked on her make-up as though it were war

paint, marched into the bank and struck a deal that saved the house. My parents weren't alone, either. Similar dramas were played out all over the state as businesses turned to rust and thousands packed their station wagons and followed the Hume Highway to New South Wales or Queensland.

Button was wrong. It wasn't just Victorian Labor that was bongo. All of it – the whole of the garden state – was bongo, too. The electorate was feral, with many blaming Labor for their troubles. Federally, the Hawke government was blaming the Cain government. That was because, one Hawke advisor says, the Victorians were 'a fucking incompetent bunch of social theorists. They weren't malevolent people. They were just fuckwits.'

In the eyes of the Victorian electorate, though, Brumby was hogtied to the fuckwits. It didn't matter that, up in Canberra, he was chairman of the House of Representatives' Standing Committee on Employment, Education and Training. Didn't matter that the media was saying Hawke would promote him to the ministry after the 1990 election. Didn't matter how many factories he visited, how many hands he shook. None of it mattered when people were losing jobs, businesses and family homes. The tide was going out for Labor in Victoria – and a tsunami was approaching.

One day Brumby was in Maryborough, another old gold-rush town in his electorate, with Button, who, as minister for industry and commerce, had been responsible for lowering the tariff wall, reducing protectionism, and rationalising an inefficient, heavily subsidised automotive industry. Now, as the country slid towards its worst recession since the Great Depression, the latest current account deficits were released. The accounts were bad, swallowing almost 6 per cent of gross domestic product (GDP), holding back economic growth and reflecting a structurally weak economy.

Button had dedicated his ministerial career to trying to retrofit those structural weaknesses,⁵ while Keating restructured the federal budget, reducing Commonwealth spending from 27 per cent of GDP to 23 per cent between 1987 and 1989 by cutting Medicare payments,

unemployment benefits, TAFE funding and transport spending. Whitlam's dream of a free university education was scrapped and replaced by the Higher Education Contributions Scheme (HECS); middle-class welfare was attacked, with means testing for family allowances introduced. Keating also took \$1 billion away from state and territory governments, effectively signing the death warrant for the Cain administration.

'The Victorian ALP and the national government were barely on speaking terms. They had similar contempt for each other,' Brumby says. Cain himself is rueful about those years: 'We got belted to buggery in the early years of the Keating Treasury ... They were very authoritarian. Arrogant.'

At one point, Keating refused to answer phone calls from Cain's treasurer, Rob Jolly. Keating was tough, as his cabinet submission on the 1986–87 budget demonstrates: 'There is no future in allowing matters to drift and hoping something will turn up. That would mean seeking to carry on as if the world owed us higher living standards than we can currently sustain. Clearly, however, the world will not let that happen.'

As a backbencher holding a marginal seat, Brumby was on the frontline of Keating's tough love. Bendigo – an electorate with 60,000 voters – had more than a thousand people who, with the introduction of means testing, would lose their pensions. 'That was a shitload of voters,' Brumby says. 'I held the line. If I'd broken I think the whole caucus would have broken. It was very, very tough. The NSW Right never liked the assets test because they never thought it was worth the pain, but it was. It was a good reform. It was the right reform.' Brumby was also directly involved with the introduction of HECS and worked with deputy prime minister Brian Howe on a Medicare reform that didn't get up but would be revisited by the Abbott government in 2014 – Medicare co-payments.

Connected and cultured, Brumby stood out in regional Bendigo. Bob Cameron, a local Labor lawyer and future ministerial colleague of Brumby, says the member for Bendigo was 'very *nouveau*' for the

time: ‘Very slick. Very polished. Very practised. And it was at a level unseen in Bendigo ... He would always have his hair perfect.’ Beneath the ‘nouveau’ veneer, Brumby prided himself on being one of the hard men of the Hawke backbench – of fighting to secure the kind of economic growth that would underwrite social progress – but that was cold comfort in Maryborough.

Brumby recalls the look on Button’s face when he saw the current account deficit.

There were just billions of dollars of deficit, and this pale, drawn look came over [Button’s] face, and he said, ‘They just won’t lie down, will they?’ And he was talking about consumers. They were spending despite those horrific interest rates. So, it was tough. Unemployment was starting to go up and then Victoria was a cot case. John Cain had stood down, the economy was literally melting around us, the budget position was terrible and you had the start of Pyramid and everything else. It was just political poison.

That’s when Brumby sat down and wrote a memo to the man responsible for the ALP’s 1990 campaign – his first political boss, Bob Hogg, by then national secretary of the party.

Neither Hogg nor Brumby kept the Bendigo memo, but both remember its contents. Brumby: ‘I put in it there were nine reasons why I was going to lose my seat. And I concluded the memo by saying, “This is not to say I won’t be trying. I am. I’m working my arse off. But the fact is we’re not going to hold Bendigo.”’ Politically, Brumby was a dead man walking.

Two days after the polls closed, John Brumby was home at 27 Shelley Street, Bendigo, with his wife, Rosemary McKenzie, and daughters, Georgia and Elizabeth. His Liberal opponent, Bruce Reid,⁶ had won, and Brumby was now unemployed.

The phone rang. Hawke had already called to offer commiserations; now it was Keating’s turn. Brumby and Keating weren’t close. Brumby was more of a Hawke man. When speaking of Hawke’s

virtues, Brumby invariably wheels back to one of his pet topics. 'His work ethic,' Brumby says of Hawke, emphasising *work ethic*, 'was quite extraordinary, from six-thirty in the morning through until 11 at night. His ability to maintain focus, when he was chairing a meeting at eight o'clock at night and he'd probably had a gutful of people for the day. His discipline. He had great discipline – particularly in the early years of the government – in still being fair and reasonable to everyone around the table.'

What Brumby admired about Keating was his attention to detail, his chainsaw attacks in Question Time and his zeal for reform. In the lead-up to the 1987 federal budget, Brumby and Ros Kelly (who would, with Keating's backing, become a minister after the 1987 election, dashing Brumby's last best shot at the frontbench)⁷ coordinated a group of backbenchers and worked with Kelly's husband, deputy secretary of Treasury David Morgan, to prepare a list of spending cuts palatable to caucus. Brumby had also, in one of the Parliament House parties held to celebrate the delivery of the 1987 budget, given Keating some free advice, urging him to take a stronger role in the Hawke government's push to ban mining from the Antarctic and, more generally, to 'green up' his policies. Now, Keating was returning the favour, and his advice was blunt: 'Get out of politics. It's a mug's game, mate, get out of politics. You should go out and look after your family and get into superannuation, son.'

Enter the Independents

Bunna Walsh was ‘old’ Labor in a good way. Born and bred in working-class Port Melbourne, he joined the ALP and the Waterside Workers Federation and made his living as a wharfie. In May 1970, he won the seat of Melbourne West in the Victorian parliament’s Legislative Council, but only spent a half a day on the plush red benches of the upper house. The council, a conservative stronghold since the days of the bunyip aristocracy, referred the Melbourne West result to the Supreme Court as a disputed electoral return. At issue was Walsh’s criminal record.

In 1950, a 16-year-old Walsh had been convicted of burglary in the South Melbourne Children’s Court and given a suspended sentence. Under the *Constitution Act Amendment Act 1958*, anyone ‘convicted of treason or any felony or infamous crime in any part of Her Majesty’s dominions’ was ineligible to sit as a member of the council. The conservative Legislative Council wanted the Supreme Court to determine whether or not that law applied to a crime committed by a child. In September 1970, the Supreme Court came back with its answer: it did.

On 10 September 1970, *The Age’s* Michael Ryan reported on Walsh’s first day back as a wharfie with Gang 212 on the twilight shift at 17 Victoria Dock. ‘I don’t mind being back here with the blokes,’ Walsh told Ryan. ‘They’re good blokes, working a decent day’s work

to provide for their family – like me.’ Ryan hinted that there was more to the Walsh matter than met the eye: ‘Asked to confirm the waterside belief that his conviction for youthful assault and robbery arose when he was accosted by a male, Walsh said: “I don’t want to say anything like that. It might stir up new trouble for the fellow, when he thinks it’s behind him, as I did.”’

Five years later, the Victorian parliament amended the Constitution Act, making it possible for people convicted of offences in the Children’s Court to be elected as MPs. In May 1979, nine years after his half-day stint as a member of the Legislative Council, Walsh won the lower house seat of Albert Park for the ALP. Usually, maiden parliamentary speeches are one long thank-you, as newly minted politicians pay respect to their family, their supporters and their electorate. Walsh’s was a litany of protest.

The ex-wharfie railed against a conservative government that, after 24 years in office, cared more about cows and sheep than people. Walsh sounded warnings about the social, environmental and economic dangers of poor planning, poor educational services, unaffordable housing and Melbourne’s obsession with road transport. He rounded off with a declaration of purpose: ‘I will fight to ensure that tenants, the elderly, the unemployed, the exploited and the working people receive a better deal and that the economy of this state and country is used for the benefit of all people, not only for a select few.’

When John Cain led Victorian Labor back from the wilderness in 1982, Walsh made good on his promise, serving as government whip, then minister for public works, employment and industrial affairs, labour, housing and construction, property and services, and water resources. When, in 1989, unionists from the Socialist Left faction tried to stop the Cain government from reforming WorkCover legislation by, as Cain put it, ‘making noises about preselections’,¹ Walsh was one of the few who stood up to the threats. Cain wrote: ‘Bunna was later to pay for his independence – shown on several occasions – with his place in Cabinet. In March 1990 they caught up with him and in the purge at that time he was dumped.’²

By 1991, Walsh was facing political extinction. The demographics of Albert Park, which ran from the docks of Port Melbourne to the bohemian charms of St Kilda, had changed as the rooming houses closed and the young professionals moved closer to Port Phillip Bay. A new breed of Labor member, weaned on the cosmopolitan flair of Gough Whitlam, was also gaining ascendancy, and they didn't want to be represented by a 57-year-old ex-wharfie. What they wanted were 'new' Labor representatives like the blond, handsome, 35-year-old surfer-cum-barrister called John Thwaites.

Thwaites, a member of the local South Melbourne branch of the ALP since 1974, was independent by name and by nature. 'I never joined a faction and I wasn't prepared to toe the line,' he says.

I think I've got a natural aversion to being forced into groups – and, so, I didn't – and I was told by everyone in the factions that I would never get into parliament without joining. Rather than join a faction and suck up to people, I decided that if I was going to get into parliament, I was going to need to get some numbers for myself. So I went around to the unions and got support from a large array of unions [including the Australian Workers' Union, Transport Workers' Union and the Health Services Union of Australia] ... My basic support came from the [Federated] Clerks' Union. Now, I was very lucky because the only way I was able to do that was that, at the time, those unions were not strongly aligned to any faction, and so they basically gave me support.

Thwaites also worked the local branches hard, building a grassroots network. By early 1991, Thwaites had the numbers to beat Walsh in the preselection for Albert Park. 'And then,' he says, 'the shit hit the fan.'

Victorian Labor was a terminal case in 1991. In August 1990, factional instability had forced Cain to resign and be replaced as premier by the Socialist Left's Joan Kirner. Kirner was now Victoria's first female premier.³ Unless she could lift Labor's support above 22 per cent, though, Kirner would be Labor's last premier for a very long time.

One of Cain's political advisors, a 36-year-old former schoolteacher called Steve Bracks, was asked to stay on and help Kirner's rescue mission. Bracks and Kirner knew each other well; they both lived in Williamstown, and he managed her local campaign. Still, the quietly spoken, fiercely polite Bracks was a reluctant recruit. He didn't want to be an apparatchik; he wanted to be a politician.

Bracks had spent the 1980s on the electoral frontline, standing three times for state seats in Ballarat – including a by-election campaign in the winter of 1988 for Ballarat North, a Liberal Party stronghold. From a media point of view, the Ballarat North campaign, held in a regional city with local television, radio and newspapers, was a microcosm of a statewide campaign and an ideal training ground for a future political leader.

During the campaign, Labor's advertising man, Bill Shannon, drove up to Ballarat with party secretary Peter Batchelor to meet Bracks. Shannon didn't see a future premier. What he saw was, he says, 'the boy next door. I remember thinking that "this is the most unlikely politician" because, to me, he just didn't seem to have anything like the sort of cut. I couldn't see any meanness whatsoever. I couldn't see any, frankly, edge. All I saw was a really nice bloke. I thought, "Oh, well, young and willing to give it a go." And that was about it.' Shannon wouldn't be the last political operative to underestimate Bracks.

The winter campaign for Ballarat North turned heads in the parliamentary offices of Spring Street. Normally, by-elections are seen as an opportunity to register a protest vote against an incumbent government. The expectation was that, after six years in office, there would be a swing against Labor in Ballarat North. Bracks confounded expectations, losing the election but marginally increasing Labor's vote. Cain called a snap election on the back of Bracks's encouraging result, narrowly winning a third term. During the 1988 state election, Bracks stood for a second time in Ballarat North and lost for a second time, but achieved a swing of 3.58 per cent. 'Steve ran a very good campaign up there. He was terrific,' Cain says.

Afterwards, Bracks and his wife, Terry, decided the best way to find a winnable seat was to move from regional Victoria to Melbourne. In 1990, the Bracks family settled in the seaside suburb of Williamstown, in Melbourne's inner west. Like Thwaites, he would keep out of the mainstream factions, aligning himself with independents such as Cain, Jim Kennan, John Button, Michael Duffy and Barry Jones. Soon after arriving in Melbourne, Cain asked for Bracks to be seconded from the public service to his private office.

'It wasn't something I was seeking,' Bracks says of the Cain job. 'It was something I felt I was obliged to do. In fact, it was not going to help my particular career to do it.' He soon found out that political life in the late period of the Cain government was Hobbesian – solitary, poor, nasty, brutish and short.

Bracks started in Cain's private office on Monday 25 June 1990. Two days later, an administrator was appointed to the failed Pyramid Building Society. Cain's expansionist Keynesianism was grinding to a halt, and his new advisor – an economic hardhead – was already thinking along different lines. Bracks explains:

I'd already developed a political philosophy, which was really backing up and supporting the Hawke–Keating approach to economic management. That is, opening up Australia to the rest of the world, putting in safety nets – health, the medical safety net, the industrial relations safety net – in a Labor way, but not restricting the market and its opportunities and opening up the opportunities more internationally: what Tony Blair went on to call the third way later on ... By that time in 1990 the [Cain] government had geared up significantly on debt and debt servicing. Something like about 30 per cent of the budget outlays was on debt servicing. It was a very high proportion – not higher than the Bolte [government] years, but it was high ... It left very little room for the government to change when the recession happened. They had no buffer. They had no way of moving. They had a block in the upper house – they couldn't raise taxes. They had a block on the expenditure side because they

were locked into high debt costs as a proportion of their budget. So, their discretion was less. And their political capital was reduced, too, so when they tried to restrain expenditure they ran up against interest groups – unions and others – who would not allow them to do structural change. So, they were caught both politically and economically ... That influenced me enormously.

Cain saw the writing on the wall. ‘The government,’ he wrote, ‘ceased to govern in the real sense. There was a paralysis of decision making ... That paralysis of decision making meant the government was just decaying.’²⁴ On 7 August 1990, Cain called a media conference at 1 Treasury Place and resigned. I was sitting in the front row for that conference, working as a newspaper reporter. The outgoing premier looked grey. After Cain resigned, Bracks wanted to return to the public service but agreed to stay on in Premier Kirner’s office for another four months.

‘Every day was a crisis,’ Bracks says. Still, Bracks stuck to his task. His first job was to help design a jobs creation package. ‘It was based on the premise that Victoria was first into the recession and would be first out of the recession,’ he says, ‘and it involved some significant extra effort on training, preparing people for the recovery, when it occurred, by improving their skills; on advancing some public works, that is, offering support for councils to look at grants for public works; and some public works in health and education and other areas throughout the state – bringing forward projects, largely.’

His other project was more clandestine; he helped redraw the ‘Brisbane Line’ of seats that had to be held. Normally, Brisbane Line seats are ones that must be won to retain government. In 1990, the Brisbane Line seats were ones that had to be won to avoid annihilation. ‘We redrew the lines and mounted a significant campaign strategy, which meant that we campaigned in safe seats,’ Bracks says. ‘We campaigned in the Keilors and the seats which were sort of the 10 per cent – 8, 10 per cent plus [range] ... We were honest enough with ourselves to do that. And Joan was honest enough to understand.’

Soon after, Bracks returned to the public service and, while scouting for a winnable seat, became the leader of Labor's independents. Then, in March 1991, the shit hit the fan in Albert Park.

The last thing Kirner wanted, as premier, was a destabilised caucus. Losing Bunna Walsh, a Socialist Left colleague, in a preselection battle was destabilising. Kirner stopped Bracks in the street in Williamstown and told him that, for the good of the government, he should tell Thwaites to step aside and let Walsh keep Albert Park. The independents themselves – who behaved more like a gathering of like minds than a faction – were also divided. Kennan, who had ambitions to become Labor's next leader, wanted Walsh to stay because he was a supporter. Cain also swung in behind his former minister.

Thwaites came under enormous pressure. At one point, Kirner telephoned and told him that her government might fall if he won the Albert Park preselection. Thwaites says:

I had all the powers that be put every bit of pressure they could to get me to pull out. John Cain opposed my preselection, Joan Kirner opposed it, Jim Kennan passionately opposed it – all of these people that I had worked with. And then when I got the numbers against Bunna – like, I could win – they then persuaded Bunna to pull out of that seat and Andrew McCutcheon, who had been my boss, he then jumped out of the seat he was in to the seat I was in, Albert Park, and everyone presumed I'd just pull out because he was a minister and a friend ... It was quite a searing experience.

Thwaites refused to budge. He couldn't help himself. He was smart, with degrees in science and law; he was ruthlessly single-minded, having won a seat on the South Melbourne council in a traditionally conservative ward; and he hated being pushed around. 'Thwaites was always seen as this rare, freaky independent creature,' one Labor person explains. He just wasn't 'Labor'⁵ in the Bunna Walsh sense of the word – he didn't come from a working-class background, wasn't

part of a faction and had never worked for a union – but was quint-essentially Labor in the Whitlam sense.

Born in Oxford, the son of ‘Whitlamite’ schoolteachers, Johnstone William Thwaites grew up in and around the South Yarra campus of Melbourne Grammar; living on-site, then nearby in a school-owned house while his father, a politics teacher, served as a boarding master. At home, politics was a popular topic of conversation. At school, there was a peer group pressure to excel. ‘I never felt I was some sort of radically different person because I supported Labor,’ Thwaites says. ‘When I was at Melbourne Grammar, despite its reputation, the reality was it was not a place that idolised wealth or business success; the major push was academic excellence – academic and cultural excellence in the arts. That was the major pressure.’

Thwaites performed well at Melbourne Grammar, then, after matriculating in 1972 – the year of Whitlam’s landmark win – spent time in the United States as an exchange student in Cleveland, Ohio. Thwaites made the most of his time in Vietnam-era America, attending an all-black high school in Georgia and the Watergate hearings in Washington, DC, and meeting Andrew Young, an African-American congressman who would go on to become mayor of Atlanta and US ambassador to the United Nations.

Returning to Australia, he studied at Monash University – focusing more on his surfing than student politics. After graduation, he joined the Albert Park branch of the ALP. One of the members of the branch was Frank Crean, Whitlam’s former deputy prime minister as well as a former state member for Albert Park. Crean would doorknock for Thwaites during his 1985 campaign for the South Melbourne council.

From 1987 to 1989, Thwaites worked as a political advisor to two attorneys-general – fellow independent Kennan and the Socialist Left’s McCutcheon. Thwaites was close with Kennan, ‘an inspiring politician’ with ‘a very good intellect’, and McCutcheon, an architect, who was ‘a very smart guy, but his interests were more in planning and housing rather than in the law’. Now, though, Kennan, a man whom

Thwaites had worked tirelessly for, was opposing his bid to start his own political career.

Many of the supporters of Kennan and McCutcheon saw Thwaites's bid for Albert Park as an act of betrayal – an individual indulgence at the expense of the greater good. Thwaites's supporters could have made similar accusations against Kennan and McCutcheon. Either way, the Albert Park preselection battle was bitter – and personal.

On the night of 4 April 1991, the battle came to a head. The independents held a debate in one of the dungeon-like meeting rooms in the basement of state parliament. The case against Thwaites was led by Kennan, the case for by Stuart Morris, a future justice of the Supreme Court. It was a surreal scene. Two lawyers destined to become Queen's Counsels went head-to-head on the merits of Thwaites's candidacy for Albert Park, while the children of independent member Robyn McLeod, probably upset by all the raised voices, cried in the background. At one point, Barry Jones decided he couldn't stand the noise any longer and stormed out of the meeting.

John Cain sent a message arguing the case against Thwaites's candidacy, while John Button – Cain's old friend – sent a message arguing the case for the affirmative. 'It was a bitterly, bitterly fought preselection,' says Labor Unity figure David White. 'The two people who were fantastic were [independent federal member for Burke, Neil] O'Keefe and [Labor activist] Sheila O'Sullivan. They ran the Thwaites campaign.' Labor Unity supported Thwaites's candidacy for Albert Park. 'We weren't seeking to bring him into our group or contaminate him,' White says. 'We just didn't want the others. We wanted to look to the future.'

In the end, Thwaites prevailed. 'It was a seminal win,' Bracks says, 'because it said that we were prepared to look at what should happen after the election.' Thwaites credits his victory to two men, former Cain government minister Evan Walker and Bracks. 'It was unbelievable,' he says.

Evan gave this brilliant summary of it all and said, 'Well, they need to get new blood.' He was a friend of Andrew's and had known Andrew

since he was a kid, and Andrew was a good person, but [Walker said] he'd had his time. The other significant one was Steve [Bracks] because he represented the young aspirants for a seat and, really, on any basis, if I got up it was less likely that Steve would get up because I was taking one of those [seats] and yet he believed it was worth the potential risk to his political future to support me, to get me in, because that's the sort of guy he is.

Around the time Thwaites made his play for Albert Park, Bracks was sizing up the state seat of Altona. It was touch-and-go whether or not Bracks had the numbers to win the preselection. In the end, he decided against nominating, and focused on the Thwaites campaign in Albert Park. 'That period was about preparing for the next phase, once we lost government, of building the party up, ready for government again, and having the right people in place,' Bracks says. 'The independents were all about total independence for anyone on any policy matter within the party – not restricting – and finding good people. That's what it was always about and that's what we did.' Thwaites holds a similar view:

I believed that the Cain government and the Kirner government would not win the next election and it made sense to get some new people in there now ... and then what happened essentially was the government didn't want anything to upset the applecart which I thought – and my supporters thought – was pretty ridiculous because the applecart was already turned over.

Bracks and Thwaites hadn't known each other before the battle for Albert Park; by the end of the fracas, they were inseparable. Without that preselection, the defining relationship of the Bracks government may never have been forged. The friendship that became the nucleus of the Bracks government began in one of parliament's dungeon meeting rooms on the night of 4 April 1991.