

Staff dispute fuels speculation over performance of Defence Minister David Johnston

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Published: May 29, 2014 - 2:54PM

The Prime Minister's office has intervened in a dispute between Defence Minister David Johnston and his former chief of staff to protect the staff member.

The prime minister's office has hired Simeon Gilding to work as a senior foreign affairs and trade adviser to Prime Minister Tony Abbott after a falling out between Mr Gilding and Senator Johnston.

Several of Senator Johnston's colleagues told Fairfax Media they were baffled by his decision to let Mr Gilding, who is a highly regarded member in the Australian Signals Directorate seconded to the minister's office, go at a crucial time for the portfolio.

The intervention will fuel speculation in Coalition ranks about Senator Johnston's future in the portfolio.

He is already considered to be effectively on notice, with some MPs openly speculating that Immigration Minister Scott Morrison could take over portfolio when Mr Abbott eventually reshuffles his front bench.

It is understood the prime minister has no immediate plans to reshuffle his ministry but there has also been speculation in Coalition ranks that stood aside assistant treasurer Arthur Sinodinos could be replaced by either Josh Frydenberg or Steve Ciobo, both of whom are considered promising junior ministers.

One senior figure in the government told Fairfax Media there was a developing view that Senator Johnston needed to step up his performance as minister.

"He has a big agenda and he has to get on with it," the MP said, "there are no more excuses".

A second senior member of the Coalition team confirmed that with a white paper being developed and Australia's presence in Afghanistan being wound down, Mr Gilding's exit came at a critical time for the minister.

Senator Johnston and Mr Gilding were said to have a respectful relationship but they were not close.

The decision to bring Mr Gilding into the prime minister's office is a clear sign of how highly he is regarded within the broader Coalition – a view that is shared by many in Labor who worked with Mr Gilding when they were last in government.

He takes on the job soon to be vacated by Mark Higgie, who will leave shortly to become Australia's next ambassador to Belgium, Luxembourg and the European Union.

Mr Gilding is expected to fill the position for a few months before returning to the defence establishment.

He will be replaced by Sean Costello, who worked in former defence minister Robert Hill's office and is also a former executive for the ASC, formerly known as the Australian Submarine Corporation.

Mr Gilding's move is the second significant exit in recent weeks, with Senator Johnston also losing long-serving political adviser Russell Stranger.

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