



Senate F&PA Committee

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## Credlin slides back into box seat

EXCLUSIVE

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POLITICAL EDITOR

After a self-imposed exile from the public spotlight, Peta Credlin is back and her appearance is a sign she is not going anywhere.

Tony Abbott's chief of staff — who attracted bitter criticism from within the government last year, faced calls for her sacking for being too controlling of the Prime Minister and went into virtual hiding — quietly resumed her place in the adviser's

box behind Abbott in parliament on Tuesday night.

But while Credlin is staying in the Prime Minister's office and working as chief of staff, there are changes to her opera-

tions that will remain — such as not attending cabinet and devolving some duties she had performed in the first year of the Abbott government. There are further changes likely to come to the office when John Howard's former adviser, Tony Nutt, who ran the NSW Liberal Party through its crisis and election, is expected to come to Canberra.

Credlin, a striking woman who refuses to dress down to suit others, wore a letterbox red coat to question time on Wednesday as she sat next to the Prime Minister's long-term but

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## After six months in the background, Credlin slides back into box seat

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promoted media strategist, Andrew Hirst.

It was the first time since December, when Credlin was blamed for bad relations between Abbott and his cabinet colleagues, that she had come to the adviser's box, signalling an end to her public exile.

In December when the Prime Minister's media office was reorganised, it was decided Credlin would not attend cabinet meetings and she tried to avoid appearing in television or newspaper photographs with the Prime Minister.

While continuing to do her work as chief of staff, Credlin cut back on travel with Abbott and when she did travel she ensured she was well in the background. During Abbott's pre-Anzac Day tour of Gallipoli, Credlin held well back in the entourage, away from cameras and the chance of incidental publicity.

A story leaked about the trip from Paris, suggesting "micro-management" of protocol had embarrassed Australia's ambassador to France, was an attempt to target

Credlin, who was not responsible.

Tuesday night's parliamentary appearance by Credlin was a culmination of almost six months of working with the Prime Minister and the Expenditure Review Committee on the budget.

This week, Joe Hockey said the process of preparing this year's budget was better than last year's and key participants in ERC meetings have told *The Weekend Australian* the process was better ordered, more organised, had more time and there was an active and competitive engagement that led to better outcomes.

On Wednesday, the Treasurer said: "It's a hell of a process to get it together, make all the numbers add up. But, it's been a good process with literally thousands of people involved."

The Prime Minister, who refused to accept the resignation of his chief of staff of seven years despite great pressure, is making it clear he wants her to stay and is praising her hard work in his office and in the budget preparation.



Peta Credlin

Cabinet ministers had complained that Credlin isolated Abbott from his colleagues, spent too much time on micromanagement and should not have been in cabinet meetings.

They blamed her for ill-will towards Abbott from ministers and backbenchers.

Since February, after a Fijian holiday, Credlin has been consulting individual backbenchers, staying out of cabinet meetings and Hirst has been running the media policy.

One ERC participant said Credlin's role at ERC meetings was consultative and collegiate and appeared "less interventionist" than last year.

There is evidence that both Credlin and Abbott had learned much from the experience of last year and welcomed new ideas from more people.

Indeed, Credlin adopted a suggestion from new Assistant Treasurer Josh Frydenberg that there be a political strategic discussion at the end of the budget preparation. Without public servants present,



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the politicians discussed for four hours the top 30 budget initiatives and how they should be presented to the public.

At the outset of the ERC process, there was also a spirited discussion about the role of fairness in the budget framing and that there be an end to denials that the 2014 budget was unfair.

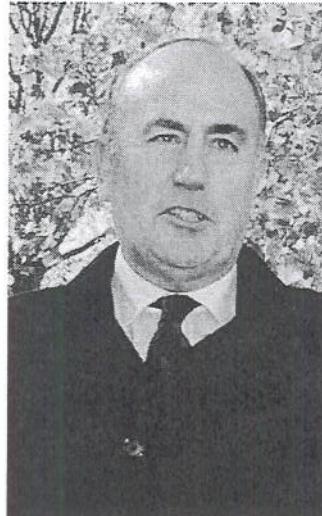
The economic team was expanded this year to include Frydenberg, who replaced Arthur Sinodinos pending the findings of the NSW Independent Commission Against Corruption, Scott Morrison as Social Services Minister, and Kelly O'Dwyer and Christian Porter as parliamentary secretaries.

All three departmental heads at ERC were also new this year: Michael Thawley at Prime Minister and Cabinet, John Fraser as Treasury Secretary and Jane Halton as the head of Finance.

Thawley, recruited from the private sector in the US after being Australia's ambassador to Washington 14 years ago, is said to have demonstrated a "fertile policy mind" with fresh ideas, while Fraser was considered "vigilant" in trying to ensure savings were made while Halton's partnership with Finance Minister Mathias Cormann was central in the budget preparation.

As the chair of the ERC, Abbott was "meticulous" in seeking advice from the public service advisers and wanted as much "contestability of ideas" as possible. At times, the debate was spirited and aggressive between departments as the Treasury head pressed for as many savings as possible.

But there was evidence that having more time to prepare and discuss strategy improved the process: the surprise \$20,000 instant asset write-off for small business was kept tightly held between just six people until the final days.



John Fraser



Jane Halton



Josh Frydenberg



Michael Thawley



Scott Morrison