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Coalition’s appointments are part of a bigger pattern in policy advice

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The Abbott government has appointed several people with business backgrounds, such as Tony Shepherd (left), to key inquiries in its first year in office. AAP/Nikki Short

Since coming to office, the Abbott government has initiated a wide range of reviews into policy areas such as the national school curriculum and the Renewable Energy Target. Some commentators have argued that these appointments demonstrate a distinctive ideological bias that distinguishes the Abbott government from previous administrations.

This analysis has correctly identified some provocative appointments, but it obscures a broader pattern of a shift to the right among some mainstream policymakers, particularly in the Treasury and Reserve Bank.

A trek through history

During Robert Menzies’ long prime ministership, the conservative parties defined themselves as part of a governing establishment and relied heavily on the public service. Menzies disappointed ideologues on his backbench by his reliance on a public service schooled in the Labor decade of the 1940s. The white-collar middle class and in particular university graduates were strongly conservative.

But by the late 1960s, the identity of conservatives and intellectuals began to break down as a new intelligentsia was drawn towards Gough Whitlam’s reformed Labor Party.
In 1972, Whitlam came to power with clear objectives, but he lacked faith in the ability of the public service to achieve these goals. His government installed sympathetic intellectuals in the new role of ministerial advisers, and as members of bodies such as the Schools Commission and the Woodward inquiry into Aboriginal land rights. These were areas in which Whitlam knew what he wanted, but economic policy was more intractable. Here, he sought broader advice.

In 1974, the government set up an inquiry into the manufacturing industry, chaired by CSR executive Gordon Jackson with representation from academics, business and unions – the latter represented by Bob Hawke. The inquiry’s final report supported structural adjustment and gradual lowering of tariffs.

In 1963, Menzies had set up a similar inquiry into economic policy but was able to ignore its recommendations due to the economic prosperity of the mid-1960s. By the 1970s, however, economic growth had slumped and the Jackson report’s recommendations were taken more seriously. They set the agenda for the economic restructuring of the 1980s.

Labor’s ascendency in the 1980s reversed the alignment of the Menzies years. Labor became the party of the intelligentsia. The collapse of the socialist project rendered Labor a more efficient facilitator of change within Australian capitalism than the Coalition, which was tied to vested business interests.

Labor’s policy agenda was centralised by an elite that united politicians, unionists, sections of capital and the public service. Public inquiries and advisory bodies that disagreed with the new orthodoxy were ignored or abolished.

More recent years

In 1996, John Howard came to power with a suspicion of the close alignment of public service econocrats to Labor. Despite this, his government soon found common ground with the econocrats in support of the GST, further labour market liberalisation, Reserve Bank independence and privatisation.

The divergence of the Howard government from 1980s orthodoxy was more apparent in social policy issues such as welfare dependence and drug addiction. This created an opportunity for policy entrepreneurs such as Noel Pearson and Mission Australia’s Patrick McClure. They claimed an ability to solve “wicked problems”, such as social exclusion, by a turn towards paternalism. This was evident in policies such as the Northern Territory intervention.

By 2007, Labor presented itself as the heir of the Hawke-Keating legacy of rational economic reform and consensual policy formation. Ross Garnaut, Hawke’s former economic adviser, was commissioned to report on climate change policy. Garnaut defined himself as a member of the non-partisan “independent centre”.

Labor hoped for consensus on education policy. Its inquiry into schools funding was chaired by leading businessman David Gonski. On asylum seeker policy, Labor sought consensus by enlisting former defence chief Angus Houston to chair an inquiry that defined the
objective of policy as saving lives rather than defending the borders.

There were qualifications on Labor’s romance with the independent centre. On automotive industry policy, for example, it sought advice from those mildly divergent from the economic liberal orthodoxy.

In opposition, the Coalition – especially under Tony Abbott – criticised the “independent centre”. Conservatives complained that Treasury had gone soft.

Labor’s biggest problem was the slowdown in economic growth and the fall in tax revenues. Budget deficits bedevilled Labor and became a vote winner for the Coalition. The independent centre critique of the later Howard years had taken economic growth and budget surpluses for granted.

**The Abbott government’s first year**

Like Howard in 1996, Abbott came to power with a suspicion of the public service. The government’s clumsy imposition of a retirement date on Treasury secretary Martin Parkinson was a result of this suspicion.

There were nods to cultural warriors. Christopher Pyne appointed outspoken education commentator Kevin Donnelly to co-chair a review of the national curriculum. However, his fellow reviewer Ken Wiltshire is an establishment bureaucrat and academic who has worked for the Labor side of politics in the past.

On economic policy, the best defender of the government’s agenda has not been its ministers. It has been Parkinson, whom the Liberals distrusted as too close to Labor. The slowdown in economic growth and the problem of budget deficits has pushed some members of the independent centre back to the right.

The Abbott government’s Commission of Audit was chaired by a “business mate”, Tony Shepherd, but included Peter Boxall – a PhD-qualified econocrat – and Tony Cole, a Treasury secretary during the Keating years.

Some of the Abbott’s government’s appointments to inquiries do play to the conservative base, more so than under the Howard government. Despite this, the most distinctive aspects of its policies – such as inequitable fiscal consolidation and higher education deregulation – have been driven by an alliance between senior ministers, econocrats and those who stand to benefit from policy changes, such as the private higher education sector.

A future Labor government might resent rather than celebrate economic constraints, but the Abbott government’s policies are not simply the result of ideological spite.
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