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Howard Government Retrospective II

“To the brink: 1997 - 2001”

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14 - 15 November 2017



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The First and Second Howard Governments

Initial appraisals and assessments

Professor Tom Frame

Preamble

Members of the Coalition parties frequently complain that academics and journalists write more books about the Australian Labor Party (ALP) than about Liberal-National governments and their leaders. For instance, three biographical studies had been written about Mark Latham who was the Opposition leader for a mere fourteen months (December 2003 to February 2005) when only one book had appeared about John Howard and he had been prime minister for nearly a decade. Certainly, publishers believe that books about the Labor Party (past and present) are usually more successful commercially than works on the Coalition parties. The sales figures would seem to suggest that history and ideas mean more to some Labor followers than to Coalition supporters or to Australian readers generally.

By way of contrast the Howard government has been the subject of more published works than the Hawke and Keating governments combined although most were written between 1996 and 2007 – while the Coalition was in office. The Coalition government's detractors published the vast majority of these works being keen to highlight its failings in the hope the electorate would vote for other parties. Since 2008 when several books appeared that attempted to explain the Howard government's electoral defeat, and John Howard and Peter Costello penned their memoirs, the steady flow of books ended. Less partisan and more reasoned accounts have not followed the Coalition from office. It looked like its opponents (I would content they were more than just critics) had achieved their first and perhaps their only objective – to see an end to Coalition rule under John Howard.

Although John Howard is still a regular commentator on political affairs at home and abroad, assessments of the government he led are locked in time. Many of these accounts are more than a decade old and are clearly dated. They were lacking in context and short on hindsight. Speculation about why certain decisions were taken was coupled with conditional appraisals of whether many policies were sensible or likely to succeed in achieving the government's aims. They were essentially the first word on the Howard government and never stood a realistic chance of being the last word – not that partisan works ever deserve to stand unchallenged.

Introduction

I have reviewed two contemporaneous treatments of the first Howard Government. Unlike other retrospectives, these two works focussed entirely on the years 1996-1998. One was published in 1997 and marked the first anniversary of the Coalition's election victory. The other was published in early 2000 when the consequences of some first term decisions and policies were becoming a little clearer. Both books are collections of essays that originated in university faculties and concentrated on questions of public administration. The contributions to both volumes are notable for the consistency of their tone and tenor. They are not partisan works although there is more than a hint of suspicion that the Coalition was tampering with the institutions that undergirded public authority and democratic government in such a way that the changes could not be readily reversed if these 'reforms' went terribly wrong or had dire unintended consequences. To some of these commentators, the Howard government appeared to pose a risk not only to long-standing customs but to certain classes of individual who were obliged to have faith in the delayed benefits and the indirect advantages that would flow from leaner government and enlarged private sector participation in public life. Once the government had disestablished public institutions and withdrew from some areas of service provision, there was seemingly no going back. Re-regulation was much harder than de-regulation. Market forces and individual preferences would determine whether the country went forward or backward. When John Howard called an early election in August 1998, the outcomes of many Coalition policies were unknown. According to most commentators it was still too early in October 1998 to draw firm conclusions, making it difficult to say whether the first Howard Government was good, bad or somewhere in-between.

The two works assessed in the following pages are not just fascinating period pieces. The contributors treat the first Howard government as a discrete political entity, they do not presume the continuation of Liberal-national supremacy and they offer interpretations that are largely free of the polemical accretions that would characterise most subsequent assessments of Coalition rule.

The first year

There were few expansive treatments of the first Howard Government during the Coalition's entire time in office (1996-2007). When compared to the later Howard governments, the first was far less controversial. Only two works treated the first Howard Government as a discrete political entity. Twelve months after the Coalition's election victory, Scott Prasser and Graeme Starr edited an essay collection entitled *Policy and Change: the Howard Mandate*.¹ They were correct in describing their book as 'the first balanced and objective assessment of the significant changes in policy since the [election of the] new federal government in March 1996'.² The contributors assessed 'the backgrounds of most of the policies now seen as 'the Howard Mandate', and the impact of these policies in the new government's first year'. But the impact inevitably related more to intentions than outcomes as they were writing in late 1996.

Ken Parry's assessment of the Coalition's leadership praised the clear statement of policy goals during the election and their vigorous pursuit through legislation in 1996 but thought the handling of race relations was poor. He commended John Howard for under-committing in the election campaign and over-delivering in government believing this approach would relieve much of the cynicism evident in the electorate. Parry noted, however, that 'the economic rationalist policies of the Howard Government do not augur well for a relaxed and comfortable Australia'.³ The challenge was 'to sell these policies to the electorate such that the fears and uncertainties are minimised'.

The chapter on public sector reform by Bruce Millett and Mark Neylan addressed what the Government needed to do if change management was to be effective.⁴ On the Coalition's relationship with the Commonwealth Public Service, Prasser noted the problems associated with 'considerable delays in the appointment of a new ministerial staff' and the initial appearance that the government didn't know what to do about the budget black hole because it appointed a National Commission of Audit.⁵ Other than removing six departmental heads, the existing administrative arrangements were left in place other than to increase departmental control of agencies and semi-independent advisory bodies. The Coalition

was chastised for the appointment of Michael L'Estrange, a former Liberal staffer, as Secretary to Cabinet and its alleged fumbling over the creation of a new 'Cabinet Policy Office'. Prasser repeated more recent criticisms of the incoming Government for its indecision on policy and the length of time taken to produce a 'slim discussion paper' entitled *Towards a Best Practice Australian Public Service*.⁶ Despite the rolling reforms that had reshaped and, in Prasser's view, diminished the public sector, the opening few months of the first Howard Government revealed that 'former methods of accountability and parliamentary scrutiny seemed oddly behind the times' because they removed politicians from 'the realities of implementing policy and therefore of governing'.⁷

In terms of managing Parliament, initial observations were complimentary especially after the new Prime Minister agreed to scrap his predecessors 'rostered appearances' and the abandonment of a regular Question Time. Derek Drinkwater commented that the new prime minister's 'view of parliament and the beneficial effects of his government's changes to the parliamentary machinery are welcome developments' and looked forward to 'more ambitious attempts to redress the imbalance between the legislature and the executive'.⁸

John Warhurst argued there was never any doubt that the Howard Government would change the Commonwealth's relations with interest groups and was assisted in readjusting priorities by 'post election judgements that the election result was a defeat for politically correct thinking inspired by influential interest groups'. He noted changes in 'government language and attitude'.⁹ Traditional supporters of the Coalition, such as business, mining and farming groups were accommodated, 'those other groups seen as too close to the previous government were condemned as 'an industry' and accused of being self-interested when they objected'.¹⁰ The initial victims were non-government organisations, unions, environmental advocates and higher education lobbyists. He noted that the new Government was less confrontational than the approach taken during John Hewson's time as Opposition leader. It was, however, early days for the Howard government.

It was also too early to tell whether the Liberal-National Coalition would remain sufficiently strong to survive the distinct differences in the policy outcomes sought by the two parties. Brain Costar observed that the Howard Government was 'nearly as inexperienced as Whitlam's was', but the early evidence suggested that 'National ministers adapted to their new roles with greater ease than did many of their Liberal colleagues'.¹¹ Indeed, commentators in the *Herald-Sun* and the Australian newspapers thought that Nationals leader Tim Fischer was the best performing minister in the first year of the Howard government.¹² Conversely, there were fewer Liberals from regional and rural seats in the first Howard Ministry although the economic rationalists did not gain the immediate upper hand over interventionist agricultural policy especially when the Liberals needed to win National support for uniform national firearms legislation in the wake of the Port Arthur massacre. The scorecard was probably even: the Nationals were successful in preserving the diesel fuel rebate while the Liberals managed to deregulate the sugar industry. The foremost political achievement was the continuation of Fischer's leadership of the National Party and the strong support he received from John Howard after some rural interests seemed to have been consistently ignored. Their personal relationship was a barometer of the Coalition's resilience during the first year of Coalition rule.

The most critical chapter in this collection was Rodney Maddock's on the economy. Maddock was mildly critical of Treasurer Peter Costello for attacking the Keating government on debt (part of which the Hawke Labor government had inherited from the Fraser Coalition government) without developing a coherent strategy to reduce it. He was not persuaded by Costello's 'fundamental position' that the application of budget surpluses to national savings would work.

This view is sometimes known as the 'twin deficits theory' suggesting that a government and an Australian deficit go hand in hand, and that reducing the former reduces the latter. There is, in fact, little economic justification for this belief ... In fact, it rather seems that Treasurer Costello is using concerns about the Australian build-up of debt to justify his cuts in government spending rather than directly tackling the fact that foreigners rather than Australians tend to invest in Australian projects. The issue is that Australians are not saving and investing as much as they might.¹³

He was, however, more persuaded by the Coalition's strategy for lowering unemployment and the efficacy of enterprise agreements as the beginning of improving labour market efficiency. There was also praise for the Howard Government's reform of the public sector and public utility industries. Maddock's overall assessment was that the Coalition had allowed many of the productive policy changes from the Keating years to strengthen the economy while promoting initiatives that Labor would never have contemplated given its ideological commitments. The economy 'as a whole, has become more outward looking and in many ways more entrepreneurial'.¹⁴

There was a sense in which the government's industry policy mirrored economic policy, according to Jenny Stewart. The Coalition was the beneficiary of Labor's industry policies in the areas of tariffs, assistance, innovation and restructuring within an international trade framework that suited Australian exports. Although the Coalition had won allies with its commitment to 'greater macroeconomic stability [combined] with a more proactive trade and industry policy', the development and introduction of a 'coherent pro-business strategy across a complex and fragmented political system was a far more difficult task in terms of policy management'.¹⁵ She was concerned that the three-year election cycle would adversely affect the consistent development of industry policy, especially sectoral programs (such as the automotive and clothing manufacturing), local and overseas investment in local infrastructure (such as telecommunications), and concessions for research and development in innovative (such as easing restrictions on raising equity capital). The problem confronting the Coalition was the same problem that Labor faced: 'a liberalising economic environment demands just as strong a role for government as one in which the state controls activity more directly'.¹⁶ The challenge of promoting export-oriented investment opportunities that made use of local savings was not something 'the Howard Government had begun to think about' because it was preoccupied with deregulation of financial and product markets. Stewart hoped to see 'some departure from deregulatory purity' but was concerned with the relative strengths of 'ideologues and pragmatists within the ministry'.¹⁷

Agriculture policy was another area, Geoff Cockfield argues, in which the new government showed little inclination to depart from policies initiated by the Hawke-Keating era.¹⁸ There would be no greater assistance to farmers while pledges to find and exploit new markets had been heard many times before. The main test for the National Party was resisting enthusiastic market thinkers in the Liberal Party and increasing commitment to international free trade and improved productivity in the handling and processing of commodities. There was no mention of the waterfront but the insinuation was clear. It needed to change if the nation's trading performance was to improve. In terms of the natural environment, the Coalition had learnt from its policy failings of the 1980s and offered the electorate its 'Save our Natural Heritage' plan ahead of the 1996 poll. By the end of the Howard Government's first year in power, Nicholas Economou judged property developers to have done better than environmentalists but the pledge to create a national heritage fund from the part sale of Telstra was a sign the Coalition was interested in the nation's natural heritage. But interest groups like the Australian Conservation Foundation and the Wilderness Society that had worked hard to gain personal access to Labor leaders found they were now 'outsiders' to the institutionalised decision-making process'.¹⁹

Finally, Gwynneth Singleton noted the more conciliatory approach to labour market reforms that the Coalition had adopted in contrast to the severity of its stance in Fightback!²⁰ The government negotiated with the Australian Democrats to achieve part of its deregulation agenda with the 1996 Workplace Relations Act. These were signs of pragmatic compromise. Plainly, the Act did not go far enough for either John Howard or Peter Reith but it was not yet apparent that they were prepared to adopt an incremental approach to achieving the full reform agenda. But would the first round of changes achieve their objectives? It was still too early to tell. Singleton could not say 'whether the Government has the strength of purpose to confront a concerted and comprehensive challenge from the union movement if and when it comes'. One possible outcome was 'an ineffective and powerless trade union movement'.²¹

The book ends without a summary or a postscript. There was no attempt to harmonise the various treatments of Coalition rule or to suggest where the policy emphasis might reside in 1997 or 1998. Taken as a whole, the contributors infer that the Coalition's policy prescriptions were actually quite modest while its legislative program was moderate. Beyond the predictable changes to the scope of government activity and the size of the public service, the Coalition did not rush into wholesale change nor show itself too adventurous in decision-making. The Howard government continued much of the

Keating government's reforms other than to repudiate elements of Keating's 'big vision' that, the Coalition alleged, showed the former government was hostage to special interest groups and cultural elites. The electorate was probably a little more 'relaxed and comfortable' than it had been in the latter years of the Labor government. There was no anxiety yet about what a new taxation system built around a broad-base consumption tax would mean for families and small business. That surprise was waiting for 1998.

The first government

The second work to focus exclusively on the first Howard government was edited by Gwynneth Singleton, a contributor to the earlier Prasser and Starr volume, an academic at the University of Canberra. Simply titled, *The Howard Government*, this work was part of the extended 'Australian Commonwealth Administration' series that was hosted by the editor's own university.²² The book appeared eighteen months after the 1998 election and attempted a holistic treatment of the first Howard Government although the twelve chapters were clustered around three main areas: the parliament and democratic processes, the public service and government agencies; the law and legal processes.

In her introduction, Singleton claimed that the Liberals had learned much from the 1993 poll. They tried to match Labor's platform and to outline only those new policies that would be achieved incrementally. She thought the difference between the two parties 'was the ideological emphasis on self-help embodied in Howard's focus on families, the welfare system and health care'. In many respects, the Coalition would continue the reforms commenced under Labor. She notes that after failing to secure a Senate majority, the Coalition also followed the Keating Government in 'in tempering ideological fervour with electoral pragmatism when and as required' to achieve as much of its policy agenda as possible.²³ Because the Hawke-Keating years embodied a departure from traditional Labor principles in many areas, 'the blurring of distinctions between Labor and the Coalition on economic issues, and their similar views on the ends, if not the means by which industrial relations policy is achieved, are examples of how close the parties have become on significant policy issues'.²⁴ The differences, she contended, 'reflects this particular Prime Minister's ethics and beliefs'. Singleton observed Howard's early dominance of the policy agenda, his displays of political courage and determination. She noted his refusal to lay down the reform baton as evidence that he was foremost a pragmatic leader who recognised the constitutional and organisational restraints imposed on the party securing a majority in the lower house of Federal Parliament.

In his chapter on the prime minister's own performance, David Adams never varied from his assessment that John Howard's performance was adequate, even acceptable, but no more. He showed leadership on budget repair and taxation reform but lost political support and personal standing by failing to respond strongly to 'Hansonism' and bending on the ethical standards required of ministers.²⁵

The Clerk of the Senate, Harry Evans, took issue with John Howard's assertion that the size of his parliamentary majority gave the Coalition a mandate that some previous governments could not claim. This assertion was essentially a warning for the Senate not to oppose the government's legislative agenda. Evans thought 'the mandate theory' was 'contrary to the Constitution, which prescribes a system of bicameral parliamentary government' and was 'unrealistic politically' if were not 'acknowledged by other parties'. Despite the rhetoric, the Coalition realised it had to 'work with the Senate it was given and to compromise'. He also noted that the Government did not deliver on its pledge of parliamentary reform. While the prime minister and senior ministers would be present at Question Time, Evans thought it had 'no visible effect on the bearpit quality of question time in the House'. He also noted the government's growing frustration with its own speaker, Bob Halverson, who eventually resigned in March 1998 to be replaced by the former National Party leader, Ian Sinclair. Parliamentary sittings were not extended to ensure adequate scrutiny of bills with the lower house sitting for one day less in 1996 and 1997 than in 1994 and 1995. He concluded, 'nothing more has been heard of independent Speakers or of parliamentary reform. It now appears that the only 'reform' that appeals to the government is an alteration of the electoral system of the Senate to allow the government to secure a majority in that chamber with a minority of votes, a proposal floated by the Keating government'.²⁶ Although Howard claimed to be different from Keating, 'actual performance in relations with Parliament indicates no substantial difference of approach, and reinforces the universal truth: governments prefer to control parliaments rather than answer to them'.²⁷

Haig Patapan's chapter on the Howard government and the High Court noted the Coalition's annoyance with what was termed 'judicial activism' in relation to a series of cases involving rights and freedoms. The Wik case was the most controversial, prompting attacks on the role and function of the Court led by the Queensland National Premier, Rob Borbidge, and the Deputy Prime Minister and Nationals leader, Tim Fischer. Howard did not join the chorus of complaint against the Court but made the point that parliaments made laws and only parliament had the authority to change them.

Whereas previously the Commonwealth Attorney General had been the Court's public defender, the Howard government created the Judicial Conference of Australia as an association of judges and magistrates whose principal task was promoting 'harmonious and constructive relationships with the other arms of government'. Although this initiative acknowledged the potential threat of a politicised judiciary, Patapan thought it possible that 'viewing the judiciary as fundamentally a political institution, now protected by its own political defender, may have the practical effect of justifying and thereby encouraging greater political and partisan attacks on the court'.²⁸ Conversely he felt, the effect of the Ha case concerning the definition of excise that invalidated a range of state revenues, 'no doubt ... contributed to the Howard government's ambitious decision to proceed to an election on the basis of a goods and services tax (GST) that would return revenue to the states'.²⁹ He concluded that the Court had appeared to become more political during the first Howard government because it dealt with high profile cases dealing with 'the protection of individuals and minorities' and not because it had been deliberately politicised by the Howard government. He observed, 'the new politics of the High Court posed challenges and promises for everyone'.³⁰

Not with standing the Liberal Party's philosophical commitment to small government which is often translated into reductions in the public service, John Halligan explained that 'reforms after the 1996 election were not the result of a grand design or an extensive program based on first principles'. He observed that the Coalition's 'policy provided few indications' of its intentions 'beyond privatisation'.³¹ A discussion paper released by the responsible minister, Peter Reith, contained few creative or courageous ideas. When David Kemp assumed responsibility for the public service in 1998, the first explicit statement appeared. It emphasised the primacy of the private sector, the necessity of choice for consumers and purchasers, and reliance on market mechanisms where possible. After the public service was down-sized as part of the government's deficit reduction program, its new policy framework differed from the one it gradually replaced in that it 'included a deregulated personnel system that was more comparable to the private sector, and contestability of delivery of services with much greater use being made of the private and voluntary sectors'.³² Halligan noted that in the Public Service Bill 1997, 'devolution was to be balanced by enhancing public accountability of secretaries to ministers and parliament'.³³ The Public Service Commissioner would be required to submit an annual 'state of the service' report. When the Bill was debated in the Senate, many of the proposed amendments not only

thwarted the government's intentions but sought 'a reversal of the changes made since the early 1980s'. The government decided against proceeding with the legislation and sought to achieve its reform through non-legislative means. Halligan concluded 'the effectiveness of the new approaches to the public service, including the State of the Service report, will not be known for some time'.³⁴ He was, however, persuaded that the Howard government had maintained a commitment to a 'non-partisan and professional public service' although requiring 'a highly responsive system' of public administration focussed on outcomes.

The conclusions in Roger Wettenhall's chapter on Commonwealth non-departmental organisations (NDOs) were similar to Halligan's in relation to the public service: the Howard government continued with the general line of Labor's reform agenda but with fewer ideological objections from Coalition stakeholders. A number of NDOs were created, abolished and reconstituted. Others became government-owned companies while others were sold off. The first Howard government established a new regulatory regime for statutory authorities and government companies; the few remaining public business activities were converted into companies for the stated purpose of enhancing their commercial and competitive operations. The government nonetheless preferred to sell its business enterprises because it was impatient with the public sector reform movement that had been started by the Hawke Government. The continuing NDOs were not granted much autonomy as extended ministerial control (and the increasing power of ministerial offices) became a general trend under Coalition rule. Wettenhall concluded that 'things public are denigrated; things private are adored; the shrinking of the public sector occurs both in absolute terms and in the sense that there is much blurring across the boundary with private values dominating most border zones'.³⁵

Continuity between Labor and the Coalition was also apparent, concluded Chris Aulich, in the area of privatisation with the Howard government continuing the policies of the Keating government which emphasised greater competitiveness and transparency [in] the public sector by clearly defining and separating the roles of purchaser and provider, by encouraging contestability of services with private sector providers, and by favouring outsourcing, privatisation and devolution of financial services to the states'.³⁶

While the Howard and Keating governments were different in that the Coalition 'approached privatisation with a relentless vigour and a set of uncompromising policies', it was too early to tell in 1998 whether these reforms had delivered positive outcomes because of the 'absence of well-designed evaluation of reform programs, despite the requirement in new public management that governments and public service agencies focus on outputs and outcomes'.³⁷ Aulich was not prepared to criticise the changes wrought in the Howard government's first term until suitable measures of success had been defined and applied. That a reform program was undertaken without them infers a shortcoming in the approach.

There were, however, notable contrasts between the second Keating government and the first Howard government's approach to indigenous affairs, especially the Aboriginal and Torres Strait Islander Commission (ATSIC). Christine Fletcher claimed the Coalition sought 'unprecedented control over indigenous affairs' by reducing ATSIC's budget and the scope of its operations in favour of returning to mainstream structures to deliver services. Because ATSIC had so many critics and detractors, the Coalition was 'able to perform micro evaluations on the entire ATSIC organisation without too much public opposition'.³⁸ In the context of One Nation's rise and the government's muted opposition to the assertions of Paul Hanson, some indigenous leaders were worried that 'the reconciliation process itself had been damaged as a result of political rhetoric and relentless attacks on native title'. Fletcher was disappointed with the Howard government's approach to indigenous affairs but thought substantive changes would be made in its second term when the consequences of its first decisions would also be clearer.

The tone of Greg Barrett's chapter 'John Howard: yesterday's economic manager?' was apparent from the title. Barrett claimed that 'Labor had stolen John Howard's economic policy clothes and rather than replace these with new policies John Howard decided to bluff the electorate with a set of economic platitudes designed to offend the least number of electors'. On winning office, he claimed the Coalition resorted to the National Commission of Audit and the Wallis Inquiry to divert attention away from the lack of creative policy development although, he contends, 'little of substance resulted from these inquiries for policy direction or policy implementation'. All that Howard had to offer, he argues, was a commitment to small government and a mindset of fiscal prudence – both of which supported the cause

of deregulating the economy. Barrett thought that reducing government expenditure through budget cuts was more an ideological gesture, part of the Coalition's 'prejudice against government', than one designed to reduce deficits and debt. He thought that 'debt financing of capital investments allows the cost to be shared by all users, present and future. Balanced budgets are an unfair and unduly restrictive means of funding the capital on which our future growth depends'.⁴⁰ In all, the Howard government did nothing more than continue the policy direction pursued by Labor which was already emphasising Reserve Bank independence and low inflation. Pointing the finger at the prime ministers, Barrett concluded that 'John Howard's first term did not pioneer any new economic policy directions and this was in large part due to Howard's lack of policy leadership'.⁴¹ If living standards were improving it was the Keating government that deserved credit. The Howard government's contribution was merely one of not squandering the Labor legacy. Inactivity was a virtue.

By contrast, Gwynneth Singleton noted, the Coalition had a detailed industrial relation platform that would seek 'increased productivity through workplace cooperation and voluntary agreements between employer and employee'.⁴² The reforms would be gradual 'in order to minimise the electoral risk inherent in moving too far too fast'.⁴³ Although the government was obliged to negotiate with Australian Democrats in the Senate to secure the passage of its Workplace Relations Act and to accept a number of compromises, 'the limitations of the legislation facilitating the removal of powerful unions from workplace bargaining became evident with the waterfront dispute'.⁴⁴ Singleton's analysis of the dispute's outcomes identifies wins and losses for both the Maritime Union and the Commonwealth Government although the Union's victories largely amounted to resisting the full force of the campaign mounted against it. The Government's victories were strategic and substantial. Despite the bruising campaign 'the government's ardour for industrial relations reform' was not dampened although it would require control of the Senate for the full suite of the Coalition's reforms to be enacted. She was effectively predicting the advent of 'Work Choices'.

Jenny Stewart observed a marked difference in the embrace of federalism between John Howard and his former leader, Malcolm Fraser. The former spoke often of decentralising power and used federal powers to handle the Franklin Dam proposal in Tasmania. She thought the 'advent of the Howard government marked a de-emphasising if not a reversal of this position'.⁴⁵ Whereas Fraser had wanted to 'resuscitate the states as sovereign forces

in Australian politics, John Howard allowed and even encouraged a unitary state'.⁴⁶ It was 'political pragmatism and policy objectives [that] determined the attitude of the government towards the states'. She concludes that for the Liberal Party 'federalism was no longer an issue in its own right' although the Coalition 'created some interesting intersections [in] ... the key areas of micro-economic reform, education, taxation, drugs policy and euthanasia, and the environment'.⁴⁷ Ultimately, policy capacity rather than constitutionalism would shape intergovernmental relations'.

Like the Prasser and Starr volume, this collection of essays did not end with a summary chapter that sought to assess the overall performance of the first Howard government. The focus is on law and institutions, the standing machinery of public administration and the organisation of state-sponsored activities, and the extent to which the policies of the Liberal and National parties began to reshape the conduct of government during the first year of the Howard government. A few clear themes emerge. The first is surprisingly extensive policy continuity between the second Keating government and the first Howard government. In many respects, the differences were not matters of principle but of pragmatics. Industrial relations and indigenous affairs appear to be the two areas where policy differences were most marked. More significant were the differences between the Howard government and the Fraser government on matters of economic reform, federalism and privatisation.

Second, the Coalition took some time to adjust to office after thirteen years in opposition. The first Howard government made no attempt, unlike the first Whitlam government, to make big and bold decisions within days of winning office. Having secured a large majority, the Coalition was able to confer and consult before making implementing policy and effecting change. The new government's public sector reform agenda created ill-will towards the Coalition within and beyond the bureaucracy which the government appeared willing to endure. There is no evidence that its moves to reduce the size of the public service and to oblige government provision to compete with private provision of everything from advice to services was reflected in the performance of public servants who accepted that the circumstances in which they were working would change.

Third, the contributors to this collection were writing after the 1998 election with full knowledge that the Coalition had been returned to power and would enjoy a second term of office with a much-reduced majority. This appears to have shaped the collective 'wait and see' mood among the writers. They almost assume, given the 1998 election was called six months early, that the second term would be more significant in revealing the outcomes of policies implemented in 1996-1997 and the growing confidence of the government in attempting complex reform. Given the time that is customarily taken to assume office, establish relationships and gain momentum, the first Howard ministry's effective exercise of government was not much more than two years. While the authors have tried to avoid the benefit of post-1998 hindsight and never imply that the first Howard government assumed it had two terms and was working on a 5-6 year timetable that presumed re-election in 1998, there is a pervasive sense that the first term in office was preparatory and that it would lay the foundations for larger reforms in the second term.

Fourth, the contributors deal with the consequences of politics rather than their causes. There is little attention to public opinion and the electoral system, the role of the media and government strategic communications. Government's are sometimes held hostage by unpredictable electorates that struggle to grasp or will not share a political party's case for change. Public opinion, however fickle, is never irrelevant to what governments can do. Indeed, public opinion is critical to gaining and retaining political power. While governments try to persuade the electorate as to the cogency of their policies, it is the role of the Opposition to find fault, spread doubt and offer alternatives. That this collection does not deal with the more curious turns in public opinion, the inconsistency of media analysis, the tactics of the Opposition or the intransigence of minor parties and independents, gives the impression that governments have more discretion or room to manoeuvre than they have.

Fifth, there is almost no mention of the external portfolios: trade, foreign affairs, defence and immigration. There are two reasons for the absence of these activities in this work. The first is the expertise of the authors and the second is the Coalition's competent performance in all four. The absence of any commentary on these areas effectively denied the Coalition some of the credit its overall performance deserved. The tone of this volume is generally more critical than the Prasser and Starr collection. It was not that the outcome of Coalition policies had become clearer; there were more policies to critique and more decisions to criticise.

The problem of perspective

There are drawbacks and disadvantages of viewing the four Howard governments as a unified administration or the Howard years as a discrete period in Australian history. In reality there were four governments each with a start and a finish. Yet, few writers distinguish between the four Howard governments and assess them separately. There were some 69 ministers in the four Howard governments with only two (Peter Costello and Alexander Downer) being Cabinet members from the beginning until the end. The government front bench changed constantly as did the opposition with five opposition leaders (Beazley (twice), Crean, Latham and Rudd) between 1996 and 2007. The public service evolved and the expectations of the media expanded. The nation's electoral behaviour became fickle if not unpredictable, and the Asian economic meltdown after July 1997 and the Global Financial Crisis after August 2006 demonstrated the volatility of markets beyond Australia.

A great deal of hindsight is applied to decisions made in the Coalition's first term of office because the mineral boom is projected back to 1996 and the assumption is made that the Howard government from the outset enjoyed economic conditions that supported sustained growth. In the same way that the 'post-war boom' is mistakenly thought to have spanned the 1950s and the term of office of the first and second Menzies' Governments when the country actually experienced economic recession between 1952 and 1954, it is wrong to think the Howard Government simply made hay while the sun shone and that any government, whatever its political pedigree, could have ridden the boom and filled the treasury. The Commonwealth has only been debt free once in the nation's history in part because governments of all persuasions find it hard, if not impossible, not to overuse revenues to secure their political position. The Coalition might be criticised for elements of spending between 1996 and 2007, most especially so-called 'middle class welfare', but once deficits were overcome and government debt was reduced it made available large sums of money for large-scale investment in the nation's future. Subsequent governments have been unable to balance the Federal budget. The expansion in Government debt in the post-Costello period to more than \$500 billion in June 2017 represents nearly 20 per cent of GDP. Although the budget position is presently much worse than when the Howard government was defeated in 2007, the political narrative in 1996 empowered the Coalition to address government debt and the intrusions of public officials into everyday life. The first challenge, government debt, was tackled with vigour. Government overreach did not survive the first year of Coalition rule. The 'small government' mantra was not much heard after the initial reductions in the Commonwealth Public Service.

In sum, the Coalition that was elected in 1996 was not the government seeking re-election in 1998. Assessing the performance of the first Howard government has not attracted the same attention as the subsequent governments. Recent views of the Howard years seem to overlook the first term of office entirely. There is almost universal praise of uniform national firearms legislation but widespread resentment of John Howard's about face on the introduction of a GST. Despite its imperfections, the political class and the population now accept the GST and have no interest in its abolition. The political issue was John's Howard 'never, ever' pledge when it came to introducing a consumption tax. It is the third Howard government that has tended to draw the most commentary – both praise and criticism. This is a deficiency in analysis.

The value of tracking the handling of an issue or the consequences of a decision shows differences in mood during each of the four Howard governments. As Chris Aulich and Roger Wettenhall remark in the preface to their edited volume on the second and third Howard governments:

The hostility towards the public service so strongly marked in the first Howard Government appears to have waned somewhat through the period of the second and third governments. Several elements of this moderation – almost seen as a movement towards reconciliation ... [suggest] the later governments have come sensibly to recognise the very great extent to which the nation depends for its successful functioning on a strong and capable public service.⁴⁸

Whether or not this hostility was intended, Aulich and Wettenhall think 'the huge challenges involved in confronting the security, terrorism and refugee emergencies have brought the later governments to this position'. Further, the first Howard Government abandoned the ideal of 'small government'. By 1998 the Coalition realised 'there were crucial public service activities and matters of major importance that could not be passed over to the private and voluntary sectors'.⁴⁹ The initial objective of deconstructing the public service was not pursued when the challenges of governing became more pressing.

There is evidence that a similar attitudinal shift was underway with respect to public provision and private enterprise, and the view that competition was always and everywhere the most efficient means of delivering a service or satisfying a need. There were occasions when the government wanted and needed to intervene to encourage some behaviours and to discourage others. Notably, too, the Coalition did not face internal soul-searching or warfare between the liberal and conservative elements of the party. This could easily be explained by success: as the government the Coalition had scope to satisfy the

aspirations of its constituents. The business of government was time-consuming and staying in office a focus. Conversely, the Turnbull government has faced months of damaging philosophical introspection – the kind of thing that political parties do in opposition to determine why they are not winning. But even when the Coalition was trailing in the polls, the ideological foundations were secure partly because the prime minister seemed able to speak with and for both the liberals and the conservatives. In some things he was a liberal reformer; in other things he was a conservative restrainer. Even his critics commended John Howard on the dynamic interaction he maintained between philosophy and pragmatism although he was accused of being an ideologue and an opportunist. Gwynneth Singleton thought Howard's first term as prime minister was 'noteworthy for his persistence in pursuing policy goals and agenda with a 'decent amount of ticker', and a keen eye on maximising his party's electoral advantage'.⁵⁰

Viewed with hindsight, there appears to be two distinct phases within the Coalition's nearly twelve years in power. The first phase spans the period March 1996 to June 2001. The second phase encompasses July 2001 to November 2007. The focus of the first phase is largely internal; the focus of the second is heavily external. Although the INTERFET mission in East Timor occurs during the first phase and the Work Choices legislation in the second, the foremost commitment of the first two Howard governments relate to domestic affairs. The economy, taxation and industrial relations are the main initiatives. Conversely, the second two Howard governments are preoccupied with the invasions of Iraq and Afghanistan, the rise of global and regional terrorism (the 11 September attacks on Washington and New York, and the bombing in Bali and Australian Embassy in Jakarta), the Solomon Islands assistance mission and responses to natural disaster (the Boxing Day tsunami and the Indonesian earthquake). The government had much greater control of the political agenda during 1996-2001. Criticisms of its performance were largely routine. But after 2001, when it was claimed that Australia's conduct of foreign affairs, defence and security, and immigration had adversely affected the nation's reputation in the eyes of the world, criticism of the government became moralistic, personal and abusive. This was anything but routine political dissent. Commentators were prepared to critique domestic policies with which they disagreed but they felt obliged to condemn external policies that conflicted with their sense of civilised society. It is important, therefore, to deal with each of the four Howard governments to get a clearer perception of their individual character before attempting an overarching critique of the entire period the Coalition held office.

What if?

One way of assessing the significance of any action or event is to ask ‘what if’? What if an action or event had not happened or happened at another time or happened in another way. What if Kim Beazley had won in 1998? Having won the popular vote, what if the spread of first preference votes had fallen in slightly different places and Labor had secured a small majority? What would have been said about the first Howard government? Presumably, that it wasted its massive parliamentary majority largely at the expense of a policy (the GST) that had seen John Hewson lose and which Howard had buried; that it was tentative and uncertain, then a little bolder and more decisive; and, that it was plagued by minor scandals and alienated the public service for no apparent reward. The defeat of the Coalition in 1998 would have led to John Howard’s resignation and assigned his legacy to the dustbin of history. Defeat would have brought Peter Costello to the leadership, considerably delayed any prospect of a consumption tax and, given it would have been considered a catastrophic loss, obliged the Liberals to rethink their philosophy and approach to government. Labor would have learned very little while in opposition if returned after one term in opposition but Kim Beazley would have avoided some of the Keating government’s more obvious mistakes.

Working on the reasonable basis that Labor might have survived two terms, Australian might have experienced Prime Minister Costello by 2004 thereby obliging Labor to consider someone other than Kevin Rudd as its leader in 2006. Promoting Rudd as ‘John Howard lite’ in 2007 would not have been a viable option with Peter Costello in The Lodge. Of course, ‘what if’ exercises are pointless when it comes to predicting the future but they are incredibly valuable as a tool for assessing the past. Paul Kelly’s description of 1996 as the ‘foundation year’ for the Howard government, a year in which the necessary groundwork was undertaken and largely completed, is incredibly insightful. In contending that it might have been the most significant year for Coalition rule, he draws attention to the momentum generated during 1996 that not only carried the government through its first term but set it on a trajectory that continued for more than a decade. Although commentators and critics in particular have directed much of their attention to the period from September 2001 to April 2003 (the collapse of Ansett to the invasion of Iraq), there is much to commend closer attention to the first Howard government, and its first budget as a seminal moment, that reveals most of the impulses that would propel Coalition rule until November 2007. Given the paucity of attention to 1996-1998, we are yet to understand adequately the reasons for the Coalition’s long period in office.



- ¹ Scott Prasser & Graeme Starr (eds), *Policy and Change: the Howard Mandate*, Hale & Iremonger, Sydney, 1997.
- ² Prasser & Starr (eds), *Policy and Change*, back cover statement.
- ³ Ken Parry, 'Leadership and Change', in Prasser and Starr, *Howard Mandate*, p. 68.
- ⁴ Bruce Millett and Mark Neylan, 'Change management and the public sector', in Scott Prasser and Graeme Starr (eds), *Policy and Change: the Howard Mandate*, Hale & Iremonger, Sydney, 1997, pp. 48-60.
- ⁵ Scott Prasser, 'Howard and the Bureaucracy' in Prasser and Starr, *The Howard Mandate*, p. 75.
- ⁶ Prasser, 'Howard and the Bureaucracy', *The Howard Mandate*, p. 77.
- ⁷ Prasser, 'Howard and the Bureaucracy', *The Howard Mandate*, p. 82.
- ⁸ Derek Drinkwater, 'Parliament and Change', in *The Howard Mandate*, p. 108.
- ⁹ John Warhurst, 'Interest Groups', *The Howard Mandate*, p. 122.
- ¹⁰ John Warhurst, 'Interest Groups', *The Howard Mandate*, p. 123.
- ¹¹ Brian Costar, 'Coalition Politics', *The Howard Mandate*, p. 131.
- ¹² See *Herald-Sun*, 3 January 1997 and the *Australian*, 28 February 1997.
- ¹³ Rodney Maddock, 'Continuity and Change in the Australian Economic Environment', *The Howard Mandate*, p. 143.
- ¹⁴ Maddock, 'Continuity and Change', *The Howard Mandate*, p. 147.
- ¹⁵ Jenny Stewart, 'Industry Policy', *The Howard Mandate*, p. 150.
- ¹⁶ Stewart, 'Industry Policy', *The Howard Mandate*, p. 157.
- ¹⁷ Stewart, 'Industry Policy', *The Howard Mandate*, p. 157.
- ¹⁸ Geoff Cockfield, 'Rural Policy', *The Howard Mandate*, p. 158.
- ¹⁹ Nicholas Economou, 'The greening of the Coalition? Environment Policy', *The Howard Mandate*, p. 179.
- ²⁰ Gwynneth Singleton, 'Industrial Relations: Pragmatic Change', *The Howard Mandate*, pp. 194-195.
- ²¹ Singleton, 'Industrial Relations: Pragmatic Change', *The Howard Mandate*, pp. 202-203.
- ²² Gwynneth Singleton (ed.), *The Howard Government*, UNSW Press, Sydney, 2000, p. 2.
- ²³ Singleton, *The Howard Government*, p. 3.
- ²⁴ Singleton, *The Howard Government*, p. 9.
- ²⁵ David Adams, 'John Howard: Never great, always adequate', in Singleton (ed.), *The Howard Government*, p. 24.
- ²⁶ Evans, *The Howard Government*, p. 29.
- ²⁷ Evans, *The Howard Government*, p. 35.
- ²⁸ Patapan, *The Howard Government*, p. 45.
- ²⁹ Patapan, *The Howard Government*, p. 46.
- ³⁰ Patapan, *The Howard Government*, p. 47.
- ³¹ Halligan, *The Howard Government*, p. 51.
- ³² Halligan, *The Howard Government*, p. 54.
- ³³ Halligan, *The Howard Government*, p. 55.
- ³⁴ Halligan, *The Howard Government*, p. 56.
- ³⁵ Roger Wettenhall, 'Reshaping the Commonwealth Public Sector, in Singleton (ed.), *The Howard Government*, p. 87.
- ³⁶ Aulich, *The Howard Government*, p. 162-63.
- ³⁷ Aulich, *The Howard Government*, p. 171.
- ³⁸ Fletcher, *The Howard Government*, p. 121.
- ³⁹ Barrett, *The Howard Government*, p. 127.
- ⁴⁰ Barrett, *The Howard Government*, p. 130.
- ⁴¹ Barrett, *The Howard Government*, p. 131.
- ⁴² Singleton, *The Howard Government*, p. 138.
- ⁴³ Singleton, *The Howard Government*, p. 138.
- ⁴⁴ Singleton, *The Howard Government*, p. 142.
- ⁴⁵ Stewart, *The Howard Government*, p. 151.
- ⁴⁶ Stewart, *The Howard Government*, p. 160.
- ⁴⁷ Stewart, *The Howard Government*, p. 152.
- ⁴⁸ Aulich and Wettenhall, *Howard's Second and Third Governments*, p. x.
- ⁴⁹ Aulich and Wettenhall, *Howard's Second and Third Governments*, p. x.
- ⁵⁰ Singleton, *The Howard Government*, 2000, pp. 4-9.

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