

## THE AUSTRALIAN

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# Captain prompts rush for the exits

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HENRY ERGAS THE AUSTRALIAN FEBRUARY 05, 2013 12:00AM



Illustration: Sturt Krygsman Source: The Australian

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**THE captain having announced that she intends to land the plane, the crew don their parachutes and rush for the emergency exits. As far as votes of confidence go, it is a corker.**

Political suicide is a skill, like everything else; Julia Gillard seems intent on raising it to an art.

Yet it would be a mistake to write Gillard off. There is in her that streak of granite, along with a remarkable combination of scorn, repartee and courage.

And politics is not a process with a definite beginning and a predictable end; it is a form of human action, in which each step triggers not merely a reaction but a chain reaction, ensuring that its outcomes are inherently uncertain.

But however great that uncertainty may be, one thing is certain: Gillard's gambit is as objectionable as it is ill-conceived.

Although she flatly denies being in election mode, her whole strategy is to shift the focus on to the opposition, as would happen in a campaign, without imposing on her own government any of the constraints the caretaker conventions require, including in terms of information disclosure.

Those conventions serve to reduce, for the period of the campaign, the enormous asymmetry between government and opposition that characterises the Westminster system.

That system gives the government, embodied in the cabinet, undisputed control over, and sole access to, the executive, in return for the government taking full responsibility for the executive's actions.

The consequence is that it is the government, and the government alone, that has the data and other resources required to develop and implement policy.

It is therefore no surprise that the emergence of the Westminster system in its modern form was associated with dramatic changes in the nature of the opposition.

Until then, legislation was dominated by private members' bills; the government contributed to the legislative

program, but was hardly pre-eminent in determining its content. However, as the cabinet consolidated its hold, including over specialised departments, the initiative in setting the legislative agenda shifted to ministers, who had the information and resources legislation required, and so did the responsibility for financial outcomes.

In this process, which was virtually complete by the start of the 20th century, the role of the opposition became precisely that: to oppose, thereby exposing the flaws in the government's program.

It was the institutionalisation of that role that made the Westminster countries unique: other countries had a parliamentary minority, as opposed to the majority; the Westminster countries had an Opposition with a capital O.

However much that opposition might be the alternative government or government in waiting, it was plainly not the government of the day.

Rather, its purpose was to act as the constraint and control. It was therefore provided with the mechanisms required to make its scrutiny effective.

Although asked as early as 1721, parliamentary questions in their modern usage were largely a development of the 19th century and closely paralleled the rise of cabinet government.

And so did the development of the budget process, especially as it became apparent only ministers could secure the detail it required.

As Gladstone articulated the logic in his great budget speeches of the 1880s, just as the initiative in all financial bills must rest with ministers, so must the entire onus of projection and explanation.

It is consequently nonsensical, in a Westminster system, to expect the opposition to bear the same burden as the government in elaborating its policies.

The demand for detailed policy costings, subject to verification by Treasury, was first made by William McMahon in the 1972 election campaign to frighten voters off Gough Whitlam; there is no reason to believe it had the desired effect. Instead, it merely dragged the public service into the electoral battle.

The 2010 Pre-election Economic and Fiscal Outlook made the resulting risks starkly apparent. Unlike the other financial statements, the PEEFO is issued on the responsibility of the Treasury, not the Treasurer; but the errors in the 2010 PEEFO proved even greater than those in the government's financial statements.

And those errors made Labor's commitments, including to a surplus, seem far more credible than they were, as did the detailed costing of individual policies.

However unintentional the errors may have been, their legacy was to seriously damage Treasury's standing.

Whether the costings process is of any value is consequently questionable.

Rather, in reality, oppositions frame programs; what matters is whether, once elected, they adjust those programs to the circumstances they confront.

It was the Whitlam government's failure to do so that condemned it, not the lack of financial detail before it came to office; and it is that constraint a new Coalition government would face.

Tony Abbott is consequently right to dismiss Gillard's ploy. And her own conduct makes his grounds for doing so even stronger. After all, her government has made entirely uncostered commitments to both the National Disability Insurance Scheme and the Gonski reforms. And while challenging Abbott to release costings, it has imposed ever tighter constraints on the information it provides.

Not only has it refused to release data on the mining tax, but it won't disclose any information at all on the costs that would be triggered were a new government to amend the multi-billion-dollar contracts entered into by NBN Co. All that undermines the opposition's ability to plan, as it is presumably intended to do.

But the government's failures do not mean the opposition is home free. Rather, what it can and must do is set out a clear fiscal strategy.

That strategy must be capable of guiding the decisions it takes once elected, as it comes to grips with the situation it has inherited.

And it must have sufficient detail on the process by which it will be implemented, reviewed and updated to provide voters with the confidence they quite properly demand.

As for Gillard, if she wants the advantages of being in a campaign, she should also bear the costs.

Let her give up the benefits of taxpayer-funded advertising, as Labor promised in 2007; and let her provide the detailed budget projections the government is sitting on.

Unless she does, she runs the risk of her tactics seeming like mere antics.

And of her cunning scheme becoming yet another case of poor judgment raised to a form of art.

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