

Labor must risk offence for fierce, honest debate

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12:00AM MAY 25, 2019 •  209 COMMENTS

After spending more than a decade after 1996 disavowing the legacy of Bob Hawke and Paul Keating, the Labor Party tentatively came around to invoking the reform heritage of the governments they led from 1983 to 1996. Though the country was entering its third decade of uninterrupted growth since the 1991 recession — a testament to the economic reforms that underpinned this stupendous achievement — their names became the byword for reform only after conservative politicians and commentators used them to contrast and criticise Hawke and Keating's successors.

In recent years Labor came to own Hawke-Keating but it was too late — the reform mantle abandoned in 1996 had been taken up with alacrity by John Howard, and a succession of Labor leaders in opposition and government could not pick up the mantle again. Indeed, they showed no great anxiety for its loss to the conservatives.

The latest Labor contender for the prime ministership cast himself and his agenda for government as falling within the Hawke-Keating tradition, but he was not and his agenda was a far cry from it. Bill Shorten was no ideological heir to the most successful Labor governments in history, and failed miserably as a result.

It wasn't only a matter of disowning the reform mantle; it was the shift from the centre that took place under Kim Beazley as opposition leader and continued until Shorten's demise last weekend. Labor's fundamental policy paradigm had shifted from the radical centre of economic growth and fairness to a left-of-centre fixation on fairness regardless of growth.

Shorten failed because Australians didn't hear Labor's plans for economic growth, greater productivity, enterprise and innovation. There was a lot of talk about Winx but no talk about

Bob Hawke's favourite horse, self-interest, the engine of individual striving and therefore social progress. All they heard was fairness and redistribution of taxation and spending promises.

Shorten didn't understand not only what Hawke and Keating stood for, but also Peter Walsh, Ralph Willis, John Button, John Dawkins and that immortal pantheon of cabinet ministers that gave these Labor governments such tremendous horse power. If he understood, he did not show it.

Now the Hawke-Keating name is being invoked again in the wake of last weekend's election disaster.

Anthony Albanese is making the case that he is the true heir of the Hawke-Keating reform legacy. This is a long stretch. Albanese spent his political youth railing against the so-called economic rationalism of Hawke-Keating, and there is little in his policy legacy as minister of various portfolios that shows anything of the liberal economics that was the starting point for Hawke and Keating's pursuit of inclusive growth.

An outcry broke when former Liberal prime minister Tony Abbott observed on the death of Hawke, "you might almost say he had a Labor heart but a Liberal head". The Twitter mobs condemned Abbott for disrespecting Hawke who was Labor through and through. In capital-L Liberal terms Abbott was wrong, but in small-l liberal, as in liberal economics, this was not a wrong characterisation at all. Hawke personified the fusion of liberal economics with social justice.

What seems to have confused Labor these past three decades is the misinterpretation that this fusion amounted to neoliberalism, which was anathema. But the Hawke-Keating model was never neoliberal, it was a unique fusion of liberal economics and the social wage, predicated on the fundamental tenet that there could be no fairness without economic growth.

Notwithstanding that the scourge of inflation was beaten, and the country enjoyed 28 years of sustained growth, and we have universal healthcare, compulsory superannuation and a whole range of redistributive provisioning, Shorten's Labor painted a picture of endemic unfairness and inequality that required his Fair Go Action Plan.

The picture of inequality that the Productivity Commission described in last year's report, *Rising Inequality? A Stocktake of the Evidence*, tells us plainly that entrenched inequality afflicts about 700,000 Australians trapped in generational disadvantage. Why exaggerate the challenge we face as a nation by extending the entrenched disadvantage beyond these groups?

The challenges faced by other Australians as a consequence of stagnant wages, unaffordable housing and childcare should be addressed in their own right, rather than being conflated with the problem of intergenerational inequality and poverty. So where was Labor's plan to create the kind of opportunity system that could help these most parlous families break the cycle of disadvantage, rather than just managing them and using them as clients of the welfare industry? There is no plan.

Take school funding. Who really believes that new funding under Gonski is going to fix up the schools that are under-serving too many Australian children? The facts clearly show Australia's increased education expenditure during the past 20 years yielded no improvement in our schools.

Indeed, our relative international performance has been declining. Where is the productivity going to come from in relation to the Gonski cash? Who really believes there will be a clear step-change in Australian schools' performance in 10 years from the new money? There simply is no policy or plan to turn up the dial on performance.

Labor talked about more money for schools but without any compelling plan as to how this money would achieve the reforms needed. The truth is that neither side of politics has a plan to solve the federal conundrum of education: how does the commonwealth as funder ultimately accountable to the Australian people for the education of our children secure real school reform with the states and territories? Instead these states and territories ask for more and more money, notwithstanding their declining performance.

"The view is we should just give Albo his chance," *The Sydney Morning Herald* reports a Labor MP saying yesterday. What a poor basis for choosing leadership. Those who point to Albo's knockabout style and avuncular character should remember Beazley. He was well liked within the party and indeed across the political aisle. Howard liked him because the Labor leader was always beatable.

When the Labor turmoil began with the chaos of Kevin Rudd's government, Labor chose regicide as the way forward. There was no need to push Julia Gillard into the prime ministership too soon before her time, she would have given Rudd his two terms, and Howard was correct that Rudd would have won a second poll notwithstanding the chaos.

Instead Shorten and his faceless men started a cycle of assassination that would dog Labor, infect the Liberals and debilitate Australia's national politics for a decade. Shorten's most masterful

achievement since the 2013 loss was to unite the party and let bygones be bygones: masterful considering his role as a principal actor in the precipitation of the leadership crises.

Now is not the time for unity for Labor. Now is the time for fierce contest and debate. This is not the time for loyalty, groupthink and tribalism. Now is the time for recriminations and criticism, not platitudes and denial. Now is the time to risk offence in the name of seeking the truth. Now is the time for independence, courage and confrontation. Now is the time for divergent thinking, not convergence. Now is the time for the positioning of ideas and philosophies, not for the positioning of numbers and alliances. Alliances should emerge out of true leadership, not the other way around.

The rules afford Labor the time and space to allow a proper debate to run, starting from first principles. Shorten's best legacy for the party would be to enable this internal debate within the party and among the contenders for leadership before putting the leadership question to the membership and caucus. There will be time enough for unity, common purpose and discipline down the track. These next months should be spent working out what Labor stands for and how its mission is to be realised, and who should lead in a new project for power.

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