

The Hawke government: ‘Gold standard’?

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It is no doubt more than a little presumptuous for someone who was very much part of the action throughout to claim that the Hawke government was as good as it ever gets in Australia. But there are plenty of objective reasons to support the claim, now very broadly accepted even by non-Labor people, that the Hawke government of 1983–91 – and indeed the Keating government that succeeded it until 1996 – was genuinely ‘gold standard’.

The Howard-led Coalition government, which followed from 1996 to 2007, has its supporters for that accolade, but more for its longevity than for any excitement generated by its leadership, or for the strength, depth and diversity of the talent in its ranks, or – some excellent measures like gun control notwithstanding – for the range or quality of its achievements.

The Hawke period was successful on all these fronts not because it lacked the kind of internal tensions – between old bulls and younger bulls, and multiple strong personalities with competing egos and ambitions – that have roiled so many other governments, not least our Rudd and Gillard Labor successors. It was because those tensions were successfully managed, with a high level of mutual respect between cabinet members, and commitment to the common cause, always operating as a brake on self-indulgent personality politics.

There are in my judgement six main factors that enabled the Hawke government to maintain a strong reformist momentum for as long as it did, and to deliver as much as it did, with as much discipline and coherence as it did.

First, there was the *quality of its leadership*, above all the prime minister himself. Bob Hawke had four exceptional strengths: his ability to craft a grand narrative, to connect with people, to operate collegiately and – most unexpectedly for those who knew only the earlier larrikin – to maintain both personal and institutional discipline. No government survives for very long without a clearly communicated philosophy and sense of policy direction, and Hawke understood this from the outset. His initial 1983 ‘reconciliation, recovery,

reconstruction' storyline rapidly evolved into a more sophisticated narrative built around the themes of dry economic policy, warm and moist social policy, and liberal internationalist foreign policy.

Our capacity to sell wage restraint, deregulation and tough economic reforms generally depended very much on Hawke's ability, much assisted by Bill Kelty and the Australian Council of Trade Unions (ACTU), to persuade both the party and the wider community that our education, health and superannuation reforms provided a compensating 'social wage'. Hawke's preoccupations throughout his leadership were overwhelmingly economic, although foreign and defence policy, and the environment, loomed larger in his later years. As frustrating as some of us found the narrowing of narrative focus – as I certainly did as attorney-general – it undoubtedly enabled the Hawke government to present itself throughout as coherently and consistently focused on the main game.

Hawke's genuine ability to make others warm to him was a huge strength throughout his career. For someone so often described, not entirely without evidence, as narcissistic, and so willing to tell both opponents and colleagues precisely what he thought of their abilities and arguments, his capacity to connect, particularly with the broader public, remained incredible. Partly it was his uncontrived blokeyness – empathising with anyone preoccupied with sport, sex, having a beer or making a buck, which probably captured a larger slice of Australia in the 1980s than it would now.

But that was combined with a genuine intelligence to which less blokey types could also relate. Despite his almost complete lack of interest in less carnal pursuits like art, music, literature, philosophy or history, on no subject was Hawke anyone's dummy. One attractive feature of his personality was his grace in both victory and, as we saw in abundance at the time of his last caucus ballot, defeat. While his battles were fought with no holds barred – with snarling invective almost always preferred to the verbal rapier – they were, once won, usually followed by great generosity to the losers (the Victorian hard left always excepted). Malcolm Fraser and Bill Hayden were early beneficiaries of that instinct, as were various ministerial colleagues who fell out of favour from time to time.

Hawke's consultative and collegiate instincts served the government well. Externally, his trademark enthusiasm for summits – gathering all the major interest groups to wrestle with big national problems – did not always produce consensus but it did generate respect. Internally, so long as ministers weren't screwing up, or deviating too far from the government's collective storyline, he let us get on with the job and make our own running in the media and parliament as we saw fit. And within cabinet, everything was contestable, and

very often contested. Neither Hawke – nor Keating, who followed his example in this respect – always loved the reality of cabinet peer group pressure. But both accepted that they were running a Westminster, not a presidential, executive system. Hawke acknowledged very early on that unilateral ‘captain’s calls’ would never fly. He had many strong ministers in his team, and neither individually nor collectively were we timorous or deferential. Had serious concerns ever arisen about dysfunctional internal process, on the scale they did in the first Rudd government, it is inconceivable that we would have been inhibited about confronting the leadership with them. Were our successors to have operated in a similarly robust environment, the course of recent Australian political history could well have been very different.

The remaining big key to Hawke’s success as prime minister was the personal and institutional discipline he brought to the role. If never a candidate for the monastery, his lifestyle became almost ascetic, certainly by comparison with the exuberance of his boyo days at university and with the ACTU. And he led his ministerial colleagues by example, working long hours, thoroughly reading his briefs and maintaining a disciplined diary. It is true, as Hawke himself was the first to acknowledge, that he lost the plot for some months in the period leading up to the 1984 election, essentially as a result of his emotional distress over issues associated with his daughter’s heroin addiction. And most of his colleagues would agree that, after having set the direction of the government with the storyline I have described, he rarely himself generated any big new ideas subsequently. But it defies credibility to suggest that he did not function effectively as leader at any time thereafter, through the long seven years until his departure in 1991. He was maintaining close oversight of the whole government agenda, keeping the ministry and caucus generally harmonious, putting out potentially consuming brushfires and being an articulate main face of the government at home and abroad. If he had not been, his leadership would have been successfully challenged much earlier than it was.

All of us were well aware of the tensions that were emerging quite early on between Bob and Paul Keating, and I have documented them in my *Cabinet Diary*, but it was many years before they reached anything like explosion point. Overwhelmingly, the two of them had a brilliantly complementary relationship, which – after a few bumps along the way – they did end up mutually, and equally gracefully, acknowledging.

One simply cannot talk about the leadership quality of the Hawke government without giving almost equal weight to the role of Paul Keating. He played an absolutely central role, as treasurer from 1983 to 1991, in making the Australian economy what it is today –

outward-looking, highly productive, highly competitive, continually growing, but still more equitable and socially protective than most. True, he did take a few months to fully find his feet in the job, a period during which the early path-breaking announcements, like floating the dollar, should be seen as very much shared decisions between Keating and Hawke rather than either's property. But, thereafter, he really was the key driver of all the big economic achievements that followed: national competition policy, which drove growth; trade liberalisation, which drove competitiveness; enterprise bargaining, which drove productivity; and compulsory superannuation, which generated not only improved retirement security but massive new national savings. There were, inevitably, more than a few bumps and disappointments along the way, but the economic record speaks for itself.

Throughout his political career, Paul was a larger-than-life and, I suspect, globally unique combination of statesman, aesthete, showman and streetfighter – what I once described to an American friend, in terms to which he could culturally relate, as a combination of Franklin Roosevelt, Leonard Bernstein, Lenny Bruce and Mike Tyson. He also was and remains a very engaging human being, not remotely as arrogant as his public image, in many ways warmer and funnier than Hawke, and more genuine in his friendships. Yet he was not without some black Irish darkness, and oversensitivity to perceived slights, which in his post-retirement years did unhappily sour relationships with some previously close colleagues and friends. But for those working alongside and under Keating in his platinum years, there was never, ever a dull moment.

Paul Keating's two greatest strengths as a political leader were the clear sense of strategic direction that underlay everything he did and said and, above all, his unrivalled capacity to communicate, at every relevant level. He could be uproariously earthy with his colleagues. But he could also be solemn, statesmanlike and deeply moving, as he showed – after he finally became prime minister – with his Redfern speech in 1992 and his tribute to the unknown soldier at the Australian War Memorial in 1993. He could be passionately persuasive in convincing the cabinet or party room or sceptical journalists of the merits of a policy argument. And he could be absolutely scintillating in using the parliamentary chamber to wear down his opponents, not least because his weapon of choice, not invariably but most of the time, was the stiletto rather than the cudgel.

Even some of his cruellest lines had a certain wit and elegance about them. Think of his description of Malcolm Fraser in 1982 as an 'Easter Island statue with an arse full of razor blades'; or his response to Andrew Peacock returning as Liberal leader in 1989, 'Can a soufflé rise twice?'; or his 'Because I want to do you slowly' response to John Hewson

asking him in 1992 why he would not call an early election; or his dazzling extended riff responding to John Howard's claim that the 1950s was a golden age, suggesting that Howard's, and Hewson's, proper place was in a museum alongside the other icons of that age 'the Morphy Richards toaster, the Qualcast mower ... and the AWA radiogram'. In a line that, sadly, does not seem to have made its way into the public record, I remember Paul also once describing (I think) John Howard – although it could have been any of a number of other Tories – as having 'all the charm of a used suppository'. He has been, and will remain, a hard act to follow. And his partnership with Bob Hawke, for all the years it lasted, was, and remains, the most productive in Australian political history.

I can be much briefer about the remaining factors which, in my judgement, feed the 'gold standard' narrative, because all five of them follow in one way or another from the first, the quality of the leadership.

The second factor was that we maintained throughout a *clear philosophy, sense of policy direction and narrative*. As I've already described, its essence was to be very dry in our economic policy, very compassionately moist in our social policy and very liberal internationalist in our foreign policy, with the concept of the 'social wage' – delivered mainly through health, education and superannuation gains – being at the heart of our capacity to sell wage restraint, deregulation and tough economic reforms generally to the wider community. We never – or almost never! – let politics drown good policy, certainly in the crucial area of economic policy, because we were confident of the strength and coherence of the policy we were making. The Rudd and Gillard governments struggled to recreate anything as compelling, torn between old industrial labour preoccupations, the new environmentalism, and capitulating to populist anxiety on issues like asylum-seekers; the Albanese government is doing better, but still working on finding its collective voice.

Third, we had a *decent governing process*, and stuck to it. Hawke was determined to avoid the manifest dysfunction of the Whitlam government and (picking up the recommendations of the pre-1983 election taskforce on transition to government, in which, with Bill Hayden's strong support as the then leader, along with colleagues like John Button, Neal Blewett and Susan Ryan, I was much involved) ensured from the outset that important ground rules were observed about cabinet–outer ministry, ministry–caucus, executive–public service and ministerial office relations. Good cabinet process, including prior consultation with all relevant portfolios and interests, was rigorously followed; and outcomes were practically never completely stitched up in advance (albeit not, in many cases, for want of trying). The contrast with the later Rudd government is instructive. The Rudd administration

successfully, and indeed brilliantly, navigated the fast-moving global financial crisis with the prime minister and a small inner group bypassing traditional cabinet processes. But, with the crisis over, the bypassing continued – increasingly by the prime minister alone. Genuinely collective decision-making can be a painfully difficult process, but, in government as elsewhere, there is wisdom in crowds. The Albanese government, to its credit, seemed at the outset to have very much internalised that message, and it's important that it continue to do so.

Fourth, we operated internally on the basis of *argument rather than authority*. Observing formal process can be meaningless if there is not genuinely free discussion of difficult substantive issues. We genuinely debated everything out, often very fiercely (and in language which reflected the strength of the views held), and did not just succumb passively to the exercise of leadership authority. The prime minister may have been first among equals, but only just. One example of that dynamic at work was the cabinet debate on an Expenditure Review Committee (ERC) proposal to reduce Medicare payments in order to save \$80 million from the forward estimates, which I describe in my *Cabinet Diary* entry for 9 May 1985:

The rationale for the proposal, which Blewett had demanded be brought to the full Cabinet, was put by Hawke, Keating, Walsh and Dawkins in terms of the need for there to be a real margin in Tuesday's statement, because of the 'squishiness' of a number of the items ... Blewett's case against all this was extremely strongly mounted, with him – for the first time that I can recall – barely concealing his anger at the stupidity of it all ... Grimes supported him strongly on equity and medical politics grounds ... As the debate went around the room, it became apparent that only Lionel Bowen supported the Committee position ... Ralph Willis put the case strongly on the basis of the negative impact of the proposal on the Accord, while West and Howe and Young all focused on the equity issue and Kerin said it was just politically crazy. Stewart West and I were probably the most vociferous of the opponents, which earned us lots of school-masterly displeasure from Hawke. He was, as very often when a debate is going against him, very petulant and snappy, quick to resort to school ground abuse (of the 'You are just wanking yourself' variety), and extremely crude misrepresentations of opposing arguments. I found the whole thing just crazy beyond words – saying at one point that this wasn't a 'brave' proposal, but a 'crazy brave' one, and fortunately this view was so obviously shared by a majority around the table that eventually Hawke and Keating had to capitulate ... In the event, it was agreed that the ERC would go away and try and patch

together a number of lesser, and less extreme, alternative savings options amounting to the same general total.¹

There was another memorable example of Hawke being first among equals, but only just, quite possibly unique in the annals of the Westminster system. Although Hawke was famously punctilious about starting meetings on time (and famously regular in lambasting Paul Keating for his indifference to that constraint), one way he kept his record intact was by regularly rescheduling cabinet meetings at the last minute when he found himself with something more urgent to do. On the day in question – I’ve forgotten when, but it was some time in the late 1980s – cabinet had been called and then postponed in the morning, then was called and postponed again in the afternoon, and finally was called again for 6.15 pm. We were all milling around the anteroom when the message came through that the prime minister was still preoccupied and that was it for the day, although, as before, there was no obvious crisis running of a kind that would make this understandable.

About six of us then said, more or less in unison, ‘Let’s go ahead and have the bloody thing anyway,’ which we duly proceeded to do – with the result that Bob rather sheepishly joined us about 20 minutes later. The rebellion did not extend to dealing with any particularly contentious item in the boss’s absence, but the point was made – and accepted. Neither Hawke nor Paul Keating – who followed his example in this respect – always loved, as I’ve said, the reality of cabinet peer group pressure. But both accepted they were running a cabinet, not a presidential imperium.

Fifth, we really did *listen to and consult with* relevant stakeholders on every major policy issue, starting with the famous summits of the early years. I cannot help but compare and contrast the lengths we went to in order to get up the petroleum resource rent tax, and the resource rent royalty which I negotiated, with the history of the mining tax under our Labor successors. We respected and welcomed the advice of the public service, not just in policy implementation but in conceptualisation and design, and had at least as many public servants seconded to our ministerial offices as political and personal staff, an approach which, unhappily, has not found nearly as much favour with later governments of either colour. It is also worth mentioning in this context that most ministers, starting at the top, were willing to appoint well-weathered advisers able and willing to remind them, as often as necessary, of their mortality. Self-confidence bordering on hubris is almost a necessary condition for high political office. And if that is not occasionally punctured, things are bound to end in tears.

Sixth and finally, we *explained and argued the case* for everything we did, with Hawke and Keating both outstanding communicators, and Paul in particular absolutely remorseless in his determination to ensure that the major opinion-moulders knew what we were trying to do, why and how. If the focus groups told us we had a problem, that was the beginning of the public argument, not the end of it. The notion that we did not *have* to communicate all that hard because we were given a bipartisan dream ride by an acquiescent Coalition and an accommodating Senate is a comforting fantasy. There was, for a start, intense opposition to the major ‘social wage’ measures, including compulsory superannuation and the introduction of Medicare, which made some of our really tough productivity and competition boosting measures deliverable. And I personally need no reminding of just how much Coalition hostility we had to overcome to win the arguments on big socio-cultural issues such as *Mabo*.

It is reasonable to ask whether the Hawke and Keating government experience is repeatable today. It is true that we did not have then some of the technology-driven, 24/7 media pressures that present governments are under. Nor did we have to contend with populist sentiment of the kind that has now exploded in Europe and the United States, and is becoming increasingly visible in Australia, or have to negotiate with quite so numerous and flighty a set of crossbenchers. In all sorts of ways, it *is* clearly now tougher than it has ever been for governments to deliver good policy outcomes.

Whether it is not just difficult but impossible to do so in the present global, and emerging local, environment – or whether there are still grounds for optimism that we can do better – is, I guess, the question that should be most preoccupying us as we track back over the Hawke government’s legacy.

We can’t just assume away some of the profound differences between the current political environment, both domestic and international, today as compared with 40 years ago. New listening is going to be required to understand why people are reacting as they are. New thinking is going to be required to craft new policy approaches to the issues that are really resonating with the disaffected – above all, being seen to seriously address the central concern that no one be left behind. And new acting is going to be required, bringing a style to the business of politics that is less brazenly confrontational, more cooperative and consultative, but also more courageous.

It is a long argument, but my own strong view is that if close attention is paid to all the six reasons I have identified that, in my judgement at least, made the Hawke government the success that it manifestly was – quality leadership, clear philosophy, decent formal governing process, real internal contestability, genuinely consultative style and effective

communication – the cause of consolidating a genuinely functional liberal democracy of which all Australians can be genuinely proud is not lost. But I would say that, wouldn't I?

¹ Gareth Evans, *Inside the Hawke–Keating Government: A Cabinet Diary*, Melbourne University Press, Melbourne, 2014, pp. 118–20.