

13

Prime Minister, Cabinet and government

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How well does the dominant centre of power in the Australian Commonwealth operate – spanning the Prime Minister (PM), cabinet, cabinet committees, ministers and critical Commonwealth departments? How accountable and responsive to parliament and the public is the ‘core executive’? And how effective are these key centres of decision-making in making policy? Do they consistently serve the interests of Australian citizens?

What does democracy require of the core executive, along with wider federal government?

- ◆ The central institutions at the heart of government – PM, cabinet, ministers, cabinet committees, top officials and central departments – should provide clear unification of public policies across the federal government, and coordination with state governments, so that the Australian state operates as an effective whole, and citizens and civil society organisations can better understand decision-making.
- ◆ The core executive especially, and federal government more widely, should continuously protect the welfare and security of Australian citizens and organisations. Government should provide a stable and predictable context in which citizens can plan their lives, and enterprises and civil society can conduct their activities with reasonable assurance about future government policies.
- ◆ Both strategic decision-making within the federal core executive, and more routine policy-making across Commonwealth departments, should foster careful deliberation to establish the most inclusive possible view of the ‘public interest’. Effective policy should maximise benefits and minimise costs and risks for Australian citizens and stakeholders.
- ◆ Checks and balances are needed within the core executive to guard against the formulation of ill-advised policies through ‘groupthink’ or the abuse of power by one or a few powerful decision-makers. Where ‘policy fiascos’ occur, the core executive must demonstrate a concern for lesson-drawing and future improvement.

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- ◆ The core executive and government should operate fully within the law, and ministers should be effectively scrutinised by and be politically accountable to parliament. Ministers and departments/agencies must also be legally accountable to the courts for their conduct and policy decisions.
- ◆ Policy-making and implementation should be as transparent as possible, while recognising that some special core executive matters may need to be kept secret, for a time. Parliament should always be truthfully informed of decisions and policy plans as early as possible, and both House of Representatives and Senate debates and scrutiny processes should influence what gets done.
- ◆ Policy development should ideally distribute risks to those social interests best able to insure against them (that is, at lowest cost). Consultation arrangements should ensure that a full range of stakeholders can be and are easily and effectively involved. Freedom of information provisions should be extensive and implemented in committed ways.

In any political system the executive is the part that makes policies and gets things done. At the national level, the Australian executive consists of the Commonwealth government – the PM and all ministers, plus the Australian Public Service (APS) departments and large agencies headquartered in Canberra (see [Chapter 14](#)), each making policy predominantly in a single area. This centre also funds and guides all other federal agencies staffed by the APS. The most critically important of these bodies – often called the ‘core executive’ in comparative political science – is a smaller, inner set of institutions, especially the PM and cabinet, on which the Australian Constitution (following the Westminster system pattern) remains largely silent (see [Chapter 1](#)). It merely refers to the appointment of ministers by the Governor-General to administer Departments of State.

As in most other Western democracies the ‘core executive’ actors in Canberra are the PM, the cabinet that they appoint, cabinet committees, and senior ministers and officials in a few really key Commonwealth ‘central’ departments. The list here includes the PM’s Office (PMO), the Department of the PM and Cabinet (DPM&C), the Treasurer and Treasury, the Minister of Foreign Affairs and the Department of Foreign Affairs and Trade (DFAT), the Department of Finance and its minister, the intelligence services, and the independent Reserve Bank of Australia (RBA). (The RBA separately sets interest rates, raises national debt and is a powerful independent central bank, whose role has nonetheless been key for government economic policy-making.) The central agencies – DPM&C, Treasury and Finance – are those that coordinate government as a whole. The Department of the PM and Cabinet supports the PM, cabinet, portfolio ministers and assistant ministers to achieve the government’s policy agenda in a coordinated way. Treasury manages macro-economic and financial policy (including setting total state spending) and federal financial relations with the state governments. The Department of Finance distributes and manages the budget and controls public expenditure through the government’s fiscal strategy. The Australian Public Service Commission (APSC) is also a central agency within the PM and cabinet portfolio, with a focus on managing the whole of the government’s workforce strategy, building workforce capability and promoting integrity.

Line departments and agencies and their ministers run all the remaining functions of government, with each having one or more portfolios. To some extent, each cabinet minister has been a ‘baron’ in their own department, with the closest access to its information, systems and permanent staffs. Each minister maintains their own ministerial office, next to Parliament’s debating chambers and just a floor below the one that is occupied by the press and broadcast media. Ministerial offices are run by a powerful chief of staff and mainly staffed by politically appointed advisors and assistants, plus liaison officials from the main department. Each department also supervises a wide range of other agencies charged with implementing different discrete services and regulatory arrangements within the portfolio. Major line agencies at department level and below also play significant roles (APSC, 2023).

Recent developments

In the last decade, one of the most distinctive aspects of the Australia core executive has been the rapid rotation of PMs, sometimes characterised as part of a wider ‘disposable leaders’ tradition that has also seen many state premiers toppled (Tiffen, 2017). From 2010 to 2019, four consecutive PMs in office (Rudd, Gillard, Abbott and Turnbull) were challenged by a rival in their own party, and overthrown in a ‘leadership spill’ or vote of the parliamentary caucus (see below). This is not a new practice. Prime ministers such as John Gorton (1969 to 1971) and Bob Hawke (1983 to 1991) were removed by their party rooms, while Malcolm Fraser (1975 to 1983) survived party room challenges. Yet the frequency of caucus and party room challenges to incumbent PMs has undoubtedly increased in the past decade.

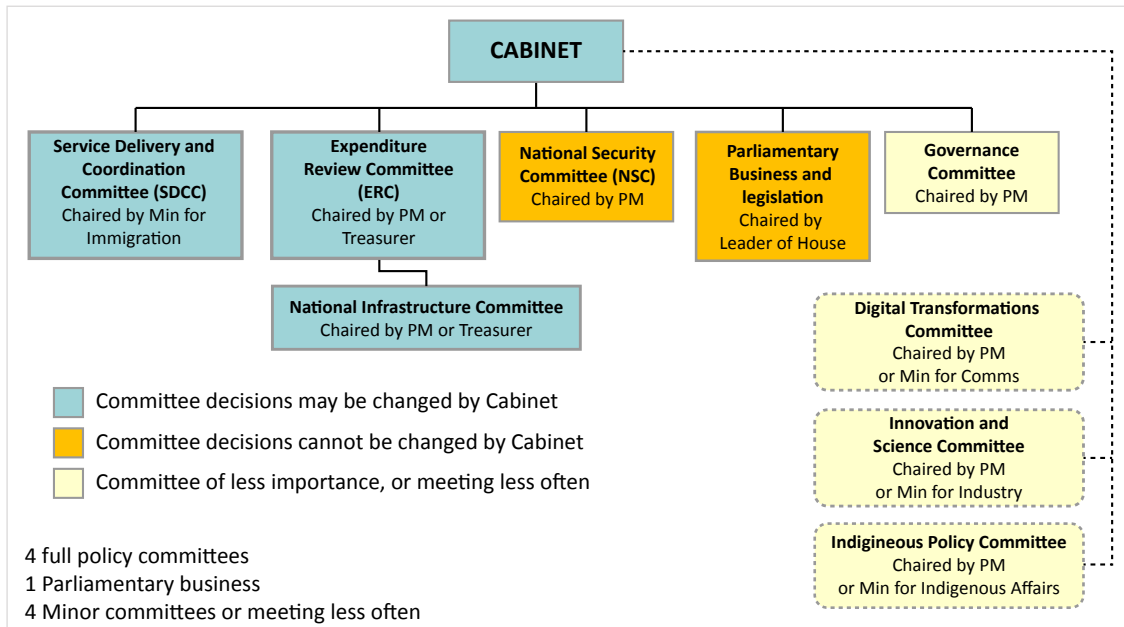
After his surprise election victory in 2019, PM Scott Morrison’s authority within his government appeared supreme. However, the bushfire crisis of 2019 to 2020 quickly diminished his standing. The PM took too much time to acknowledge the scale of the crisis, eschewed the opportunity to play a coordinating role with the affected state leaders as they managed the emergency response, and went on a poorly timed holiday in Hawaii with his family. For many months he also seemed to deny the role of climate change and his own government’s pro-carbon policies in contributing to the climate emergency. By January 2020, public fears of smoke pollution across Australia’s biggest cities grew and fires raged out of control in regional areas, particularly in New South Wales. Morrison belatedly recognised the need for decisive action. He apologised for his holiday escape, committed more Commonwealth aid, sent troops to help the state governments worst affected and visited fire sites to express sympathy and support for victims and firefighters. As the crisis receded from late February, Morrison announced generous promises of fast economic support although, over a year later, research funded by activist group GetUp! shows that less than half of that funding had been allocated (Lloyd-Cape, Jackson and Lewis, 2021).

Strengths, weaknesses, opportunities and threats (SWOT) analysis

Current strengths	Current weaknesses
<p>With voting for the House of Representative elections every three years (or sooner if the PM wants to call an early election) Australian PMs always closely watch their popularity in the opinion polls, enhancing their responsiveness to voters' views.</p>	<p>Policy short-termism has been built into the thinking of most governments, unless the governing party is well ahead of the opposition in opinion poll ratings and so can envisage a longer tenure in power.</p>
<p>In 'normal' times, Australian government can be strongly unified, with clear PM and cabinet control, strong ministers supervising the Commonwealth departments, single-party governments and relatively clear policy stances. This was the case even during the Labor minority government from 2010 to 2013. Arguably though this continued PM and cabinet control hinged on the relationship management and negotiation skills of then-PM Julia Gillard, in dealing with independents who held the balance of power.</p>	<p>Four of the last five PMs have lost office through leadership 'spill' elections or internal machinations in their party's parliamentary caucus in 'exceptional' times – those where the PM seemed to be performing below expectations in the polls against the opposition, and a rival potential leader organised a party coup against them. This trend to 'disposable leaders' can contribute to policy short-termism.</p>
<p>The PM's 'three As' powers over their own party's ministers are extensive. They appoint people to cabinet, allocate their portfolios and assign policy issues across departments. Typically, in Labor governments, ministers have been elected by caucus through a process heavily managed by party factions, with the PM then assigning portfolios and retaining the ability to fire ministers.</p>	<p>Theoretically the PM's powers are so great that they can <i>over-homogenise</i> their governments, so arranging the policy trade-offs of ministers from their own party that they will perfectly implement just the premier's preferences. In 'normal' times, most ministers are highly dependent on the PM's patronage and access for influence.</p>
<p>Frequent reshuffles allow the PM to monitor ministers' performance and fine-tune overall government performance.</p>	<p>With Liberal-National governments, the National party leader has always been the deputy PM, and co-controlled what roles the smaller party's ministers get to play. With Labor governments, a less clear-cut balancing of strong factional groupings constrains PM's choices. Both effects may protect failing or misbehaving ministers from being easily disciplined by the PM, as shown by the 2019–20 'sports rorts' affair (also known as the McKenzie scandal) .</p>

Current strengths	Current weaknesses
<p>The PM's powers should help ensure coherence across government policies, and the maintenance of an effective structure of departments.</p>	<p>In pursuit of purely political advantages, PMs have often re-jigged ministerial portfolios. They have also sometimes pushed through more expensive reorganisations of Commonwealth departments and agencies to emphasise political priorities. This administrative churning can be costly and may disrupt policy-making.</p>
<p>Collegial discussion in cabinet and the cabinet committee system provides key checks on the power of PMs and their political office. They are supposed to foster greater deliberation before policy commitments are made, and provide a balanced approach, with ministers representing the interests of their portfolios' stakeholders, and also diverse public reactions.</p>	<p>Australia has only a small system of top cabinet committees, which the PM (with the help of the Cabinet Secretary) can relatively easily control. Morrison was even accused of running a 'one-man committee' where he was the only permanent member (Karp, 2020).</p>
<p>Decisions within cabinet and the core executive are normally made on far more than a simple majority rule (51 per cent agreement). Instead, an initial search looks for a high level of consensus across ministers/departments. This may give way to deciding on a smaller but still 'large majority' basis (for example, 60 per cent agreement), especially in crises or situations where the status quo is worsening over time.</p>	<p>Collegial cabinet decision-making has been limited because a PM can control the routing of issues through committees and can bypass them via discussion just with a relevant minister. In 'normal times', strong integration of government communications also enforces complete solidarity across all ministers, without any guarantee of participation in decisions. Two cabinet committees (on national security and parliamentary business) make binding decisions that cabinet cannot then overturn. Ministers may fight back against losing out by 'adversarial leaking', which is in turn routinely denied.</p>
<p>Because of these processes, the principle of 'collective responsibility' binds cabinet ministers to publicly back every agreed government policy, and not to talk 'off their brief'. Wider ministerial solidarity also requires all ministers to follow the government line and always vote in line with party policy. Instances of any MPs voting against the party line in the Liberal-National Coalition are almost unheard of, and in the Labor Party are grounds for expulsion.</p>	<p>Compared with non-'Westminster system' democracies Australia still has relatively few checks and balances on the PM or the core executive. In the House of Representatives, ministers in governments with secure majorities have mostly escaped any unfavourable consequences of bad policies.</p>
<p>Policy-making can take place swiftly when needed, as Australia's decisive response to the COVID-19 pandemic demonstrated. The resilience in crisis-handling and capacity to respond to demanding contingencies are generally high.</p>	<p>Some 'groupthink' episodes have occurred, as in the delayed response to 2019–20 fires. In areas like immigration a pursuit of 'strong' policy has sometimes meant Australia acting in breach of international law.</p>

Current strengths	Current weaknesses
<p>Australia's institutions are strongly rooted in a tradition of relatively effective government, confident and immediate administrative implementation of ministerial decisions (when they are clear), and (normally) high levels of public acceptance and legitimacy. Some long-running core executive policy ambiguities were resolved in 2020 to 2023 (see Chapter 28)</p>	<p>Because of short periods of PMs in office and frequent elections, there has been limited evidence of much substantial policy-learning capacity within the core executive. This has been reinforced in recent years by the lack of adequate record keeping to underpin institutional memory in Australian PMOs (Rhodes and Tiernan, 2014).</p>
<p>Governments are expected to consult (most) affected interests on major policy changes (see also Chapters 7 and 8). Because governments seldom control the Senate with majorities, independent and opposition senators have often been able to 'moderate' government legislation changes, and block potentially extreme legislation.</p>	<p>Even on relatively mundane legislation, ministers and departments often choose to ignore or override politically inconvenient feedback received. They can push ahead with harsh policies that then backfire, as with the 'robodebt' policies in 2017 to 2019, later ruled illegal in the courts. The Senate has rarely been able to moderate or constrain ministers' executive actions. Where Senates are likely to oppose actions, governments often seek non-legislative avenues to achieve their ends.</p>
<p>All ministers sit in parliament and are directly and individually accountable there for their actions. The Freedom of Information (FOI) Act secures public transparency. Modern media, interest groups and social media scrutiny has been intense, rapid and fine-grained.</p>	<p>Ministerial decision-making operates in a climate of pervasive secrecy (still enforced by the Official Secrets Act). Ministers often withhold information from parliament, reject FOI requests on questionable grounds, and manipulate the flows of information to their own advantage. They incur only small costs when found out, unless a scandal takes root.</p>
	<p>Long-running power conflicts occur between leadership rivals. A powerful, up-and-coming minister (often the Treasurer, or deputy PM under Labor) can amass enough influence with parliamentary and cabinet colleagues to exercise a 'blocking veto' on the PM in their portfolio. Such stand-offs may either result in policy inaction, or lead to extra time spent to achieve a bargained compromise between the PM and the vetoing minister.</p>
Future opportunities	Future threats
<p>Australia managed to avoid the worst impacts of the 2008 to 2011 global financial crisis, and was 'lucky' again in its experience with the COVID-19 pandemic. Relatively continuous economic growth could provide a basis for strong core executive governance performance (under either major party). However, conflicts with China and adverse climate change events – floods, fires and drought – could occur.</p>	<p>Even longer-lasting PMs have conspicuously avoided addressing Australia's long-running policy problems – such as adjusting to climate change; managing the tension between being economically dependent on China but allying militarily and diplomatically with the USA; or finding policies to better combat the poor social and economic conditions in many Indigenous communities.</p>

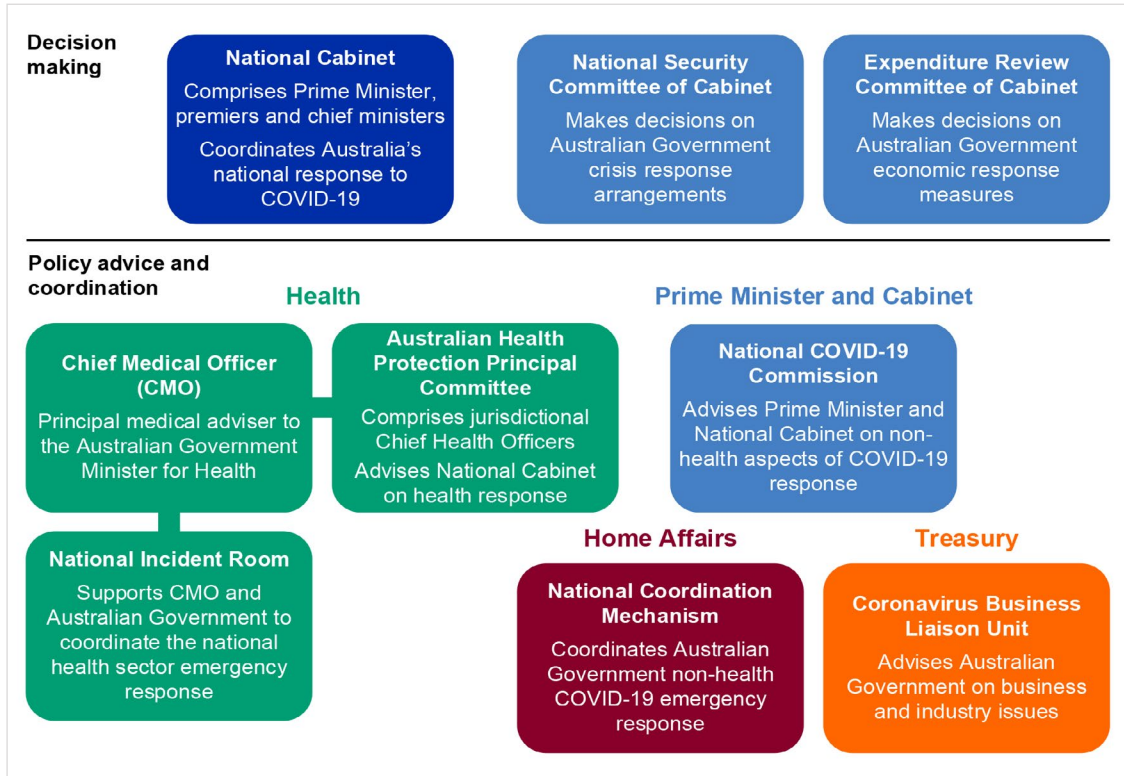
Figure 13.1: The cabinet committee structure in February 2021 (pre-COVID-19)

Source: Australian Government (2021a), *Cabinet Committees*.

The onset of the COVID-19 crisis in March 2021 saw considerable change in the previously operating cabinet committee system. In non-COVID-19 times, Australia has only a small set of cabinet committees, whose configuration under the Morrison government in early 2021 is shown in Figure 13.1. Of the top six committees that meet regularly, two make decisions that bind the rest of the cabinet without a possibility of being overturned, one being in the area of national security where the PM and their National Security Advisor dominate, and the other being for parliamentary and legislative business, which has been a largely technical issue, albeit of great importance for ministers promoting legislation. Of the four committees, the Expenditure Review Committee has been seen as most influential. Some others involve some junior ministers, have larger memberships and may not in fact meet often, making their influence hard to gauge.

With 23 ministers holding portfolios, cabinet committees are an important way of securing integration and most are, in principle, chaired by the PM (except the Service Delivery and Coordination Committee), with the PM's close advisor the Cabinet Secretary a member of all of them. In the 'named' permanent members of the committees, only the Deputy PM, Treasurer and Minister for Finance have three or four positions – most ministers have only two or even just one.

During COVID-19, new structures were established and have endured, especially the National Cabinet (see Figure 13.2). The National Cabinet is comprised of the PM and all state and territory chief ministers. It was technically set up as an intergovernmental forum to play a crisis leadership role in combating COVID-19. Westminster conventions of cabinet (such as collective responsibility) did not apply to the National Cabinet. Most observers at the time believed that 'it is COAG by another name' (Menzies, 2021), referring to the Council of Australian Governments (COAG), the primary intergovernmental forum in Australia from 1992 to 2020 (see Chapter 16). Emergency coordination mechanisms were also established in specific Commonwealth departments, such as the Emergency Relief National Coordination Group in the Department of Social Services.

Figure 13.2: The system of COVID-19 governance during the pandemic

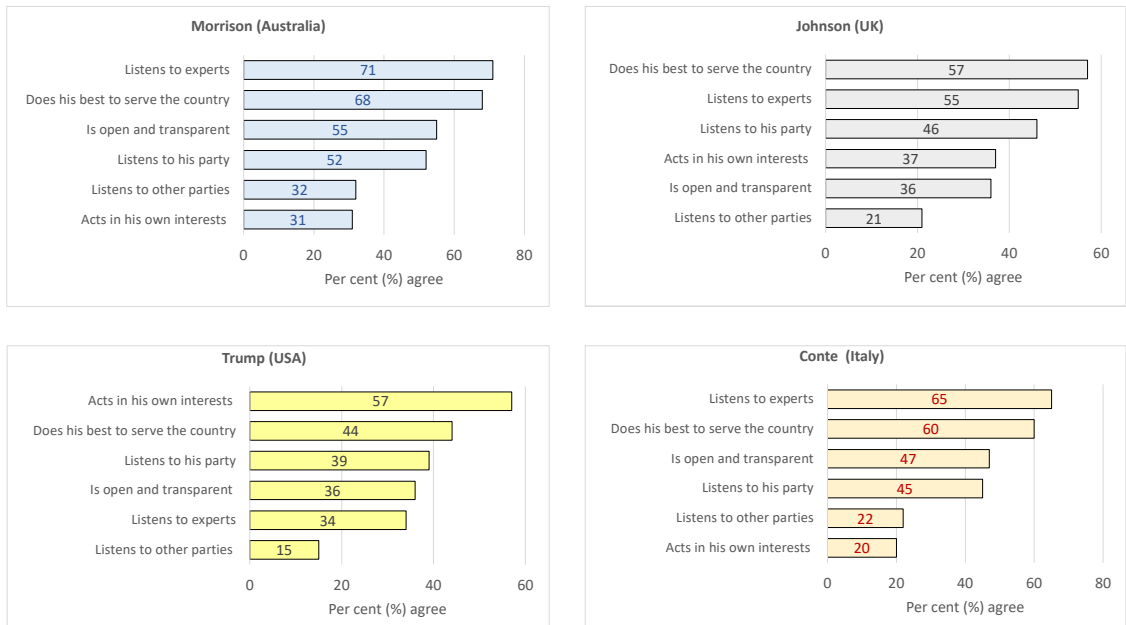
Source: ANAO (2020a), *Management of the Australian Public Service's Workforce Response to COVID-19, December*, Figure 2.5, p.31, CC-BY-NC-ND licence.

During the initial onset of the COVID-19 pandemic (in the first quarter of 2020), the Commonwealth government acted far more decisively than during the bushfires. Ministers and senior officials carefully evaluated competing international and national advice at the pandemic's beginning, which informed the decision for a quick closure of Australia's border with China. The World Health Organization (WHO) at first recommended against shutting borders (2020) but the then Chief Medical Officer Brendan Murphy pressed for closure on 1 February 2020, based on studying the epidemiological evidence from China, from where Australia's cases were originating. It was a bold step by the Morrison government, given the importance to the economy of Chinese students and tourists, and Morrison put the decision squarely on the health advice (Prime Minister's Office, 2020). 'Up until today it has not been the advice of the Chief Health Officer, and our medical experts that this has been necessary,' Morrison said. 'But now the advice had changed' (Evans and Grattan, 2021, p.24).

Morrison was far more willing to adopt the national coordination role that he had neglected in the bushfire crisis, frequently bringing the state and territory first ministers together, initially through COAG and then in what became the National Cabinet. National Cabinet ensured frequent discussions and sharing of information, but Morrison and the state premiers disagreed publicly, particularly about state border closures and hard lockdown decisions taken by state governments to suppress COVID-19 outbreaks (again because he deplored their economic costs).

Figure 13.3: Public perceptions of the quality of COVID-19 leadership in Australia, Italy, the USA and the UK in May to June 2020

(Percentage of country's respondents saying 'Strongly agree' or 'Agree' to statements)



Source: Compiled from **Jennings et al. (2021a)**, *Political Trust and the COVID-19 Crisis – Pushing Populism to the Backburner? A study of public opinion in Australia, Italy, the UK and the USA*, IGPA/ MoAD/Trustgov, *Democracy 2025 Report No 8*, Figure 15.

Note: Base: All respondents were adults. $N = 1,061$ in Australia, 28 May–15 June; $N = 1,167$ in the UK, 18–19 May; $N = 1,150$ in the USA, 19–23 May; and $N = 1,134$ in Italy, 21–22 May 2020.

In mid-2020, Australia was widely viewed by the public as having successfully managed the pandemic, especially compared to the USA, UK and other European countries. Australians' trust in their government almost doubled in a year from 29 per cent to 54 per cent (**Evans et al., 2020**). Figure 13.3 shows that PM Scott Morrison was at this period more favourably seen than his counterparts in the UK and Italy. For both Morrison and Conte, acting in their own self-interest was perceived by only a fifth of respondents, whereas 37 per cent agreed with this for Johnson in the UK and 57 per cent for President Trump in the USA. Morrison fared much better than Trump in the USA, who was also seen as more partisan and not listening to experts.

In the initial stages of the pandemic in early 2020, other surveys showed that leaders in a large number of countries enjoyed an increase in public confidence (**Evans et al., 2020**). The approval rating of Italian PM Giuseppe Conte hit 71 per cent in March 2020 – 27 points higher than the previous month – despite the fact his country was in the throes of a deadly first wave of the pandemic (**De Feo, 2020**). German Chancellor Angela Merkel saw her approval rise to 79 per cent (**Henley, 2020**), while the PMs of Canada and Australia, Justin Trudeau and Scott Morrison, saw similar surges in popularity during the early months of the pandemic.

That picture had changed by mid-2021. Australia remained locked down with a stalled vaccine rollout, while the USA, UK and other countries were opening-up. And public trust in the government soon eroded again. A July 2021 Essential poll showed people's support of the

government's handling of the pandemic sliding nine points from 53 per cent to 44 per cent (**Murphy, 2021**). In addition, 30 per cent of respondents described the government's COVID-19 strategy as poor, compared to 24 per cent a month earlier.

The upsurge of support was partly explained by a 'rally-round-the-flag' effect often seen in crises (**Hetherington and Nelson, 2003**). In Australia, Morrison's approval rating soared on the back of his effective handling of the initial threat, judicious decision-making on early closure of international borders and an atypical coordination of state and federal governments via the National Cabinet. Moreover, a severe threat like a pandemic can make people more information-hungry, anxious and fearful. COVID-19 became a powerful shared experience for people. It touched most households through people's connections with health and social care workers and their communication with relatives, co-workers or friends who were in lockdown or unfortunate enough to get sick.

Yet, research also suggests many people do not lose their capacity for reason or critical judgement in a crisis (**Jennings et al., 2021b**). For example, people can oppose wars or other heavy-handed responses to terrorist attacks even if such attacks make them more anxious or fearful. Above all, the competence and outcomes of the government's actions matter. If the government was to be perceived as not able or willing to adequately respond to a threat, then public support will certainly fade. As a case in point, for a short period of time the Australian public was disenchanted with the slow rollout of the vaccine program and mixed government messaging over the relative risks of the AstraZeneca vaccine. In response, Morrison brought in Lieutenant General John Frewen and his team from the army to coordinate Operation COVID Shield in collaboration with the Department of Health. Yet despite the operation's outstanding performance (73.4 per cent of the population fully vaccinated by 3 December 2021) public trust declined 12 points from 54 per cent to 42 per cent in just two months (**Evans, 2021**). Despite these considerable achievements, the Morrison government lost power in the 2022 election – and so the COVID-19 experience did not lead to Australia bucking the previous trend for short-term federal PMs.

One contributing factor in the Liberal-National Coalition's defeat was the emergence of several scandals in the 2019 to 2021 period that created later problems for the government – such as uncontrolled government advertising in the run-up to the 2019 election breaching partisanship rules, using public funds in the 'sports rorts' and 'car parks' programs for partisan ends, and ministers endorsing harsh and ultimately illegal actions against welfare recipients in the 'robodebt' affair (see below, and **Chapter 14**). These reflected some enduring problems of executive predominance, weak controls on a majority government's power, and the lack of accountability of ministers and particularly of their advisors, as well as the debasing of standards in public life that have continued to stir controversy. This is discussed in sections below. Many of the deeper roots of accountability problems can be traced to how the portfolios for ministers relate to the public service departments they are responsible for, with the rise of political ministerial advisors and staffs 'politicising' many new areas of policy-making, again in polarising, non-deliberative ways, and the lack of any strong measures of accountability or oversight governing their actions and behaviour. The sparsity of checks and balances on senior politicians' behaviour was also highlighted during 2020–21 by a series of allegations of sexual misconduct and abuse by ministerial staffers, including serious allegations against the Attorney-General, albeit from a time long before he entered parliament (see below).

Like its predecessors from both parties, the Morrison government's most serious problems concerned the Australian core executive's strong pre-disposition towards short-term policy-making produced by three-year elections and frequent leadership challenges. Prime ministers and cabinets have long tended to pick 'quick fixes' that kick major problems into the long grass, rather than tackling them in good time. The threat that climate change poses to Australia, the driest inhabited continent in the world, has long been one such area – especially after Labor's attempt to introduce a 'carbon tax' during 2008 to 2009 backfired electorally and was reversed ([ABC News, 2014](#)). After the 2019–20 bushfires, it also proved a key factor undermining the Morrison government electorally (see [Chapter 5](#)). A second, pressing issue was the tension between Australia's trade dependence on China but its strong defence and diplomatic alliance with the USA and Western nations, which was decisively resolved in 2021 by the Morrison government's commitment to building nuclear submarines with the USA and UK, the AUKUS deal (discussed in [Chapter 28](#)). The core executive's record of tackling these policy dilemmas is briefly discussed at the end of the chapter.

The Labor government which took office in May 2022 followed conventional government patterns, with 22 cabinet ministers representing a broadly equal balancing of 'left' and 'right' factional politicians in Labor's senior ranks, plus seven 'outer ministry' appointments and 12 people in the 'assistant ministry', and with four 'special envoys' also – an overall total of 45 executive members. With a tiny majority in the House of Representatives and none in the Senate, the PM Anthony Albanese cultivated a very different, consensual policy style compared with his predecessor, with more of an emphasis on consultation, and quite a degree of policy continuity (for example, on the AUKUS deal, see [Chapter 28](#)).

The 'disposable leaders' controversy

From 2010 to 2019, there were repeated instances of conflicts at the very top of Australian government, between the PM and other senior ministers in their government (see [Figure 13.4](#)). This reflects a wider pattern in Australian state government for sitting PMs (and party leaders more widely) to be challenged and often deposed by rivals ([Tiffen, 2017](#)).

Leaders have been vulnerable because of the following:

- ◆ Australia has federal elections every three years (in contrast to the four or five years in most liberal democracies). Australian major party leaders have typically been elected and de-selected by the parliamentary caucus, that is all the party's members of the House of Representatives and Senate meeting in the party room (see [Chapter 11](#)). Because this is a relatively small group of professional politicians, they can be organised at short notice to hold a vote. So Australian PMs have had none of the protection afforded to party leaders in other liberal democracies (where long-winded leader elections by party mass membership have to be triggered, often with uncertain results).
- ◆ The 'spill' vote has been a uniquely Australian institution, allowing party representatives to express no confidence in a current leader and vote them out, without them at this stage having to be challenged explicitly or publicly by a declared rival candidate – with all the risks of failure, party unpopularity and apparent disloyalty that a 'stab in the back' entails. The rival will of course be publicly named and attacked, but they can profess their loyalty to the premier, while carefully calibrating a plot against them in secret.

- ◆ Only if the incumbent leader loses the spill, does a second stage leadership election open up. Rival candidates can now freely stand for the vacant post, with little stigma from having brought about the previous leader's downfall, and a spill vote can be requested by a rival candidate's supporter as a means of testing the level of dissatisfaction with the PM, without necessarily getting the rival's hands dirty.
- ◆ The Liberals and Nationals (in coalition in government) have both retained this long-established set up. Turnbull and Morrison each displaced their predecessors by a vote in the Liberal party room alone. In late 2019 a challenge to the National leader (and Deputy PM) in the National party room was for a time trailed as a possible consequence of the 'sports rorts' controversy, but it failed to materialise (see next section).
- ◆ However, Labor at the federal level has reformed its procedures, so that a spill motion now requires a higher threshold to unseat a Labor leader (75 per cent for an incumbent PM and 60 per cent for an opposition leader). If there is more than one candidate for the leadership position, the leader would be chosen by a weighted vote, where 50 per cent of the total votes consists of a party membership vote, and the other 50 per cent consists of the party caucus vote in parliament (and see [Chapter 6](#)). This mechanism has proved cumbersome to activate and seems to more or less rule out challenges to any future sitting Labor PM (although this has not been tested in practice yet). It confines the party to removing a losing leader after an election, essentially choosing a new one for the whole of the next three-year term, although in practice Albanese became leader unopposed in 2019.

Figure 13.4: Four recent instances of leadership conflict

Case 1: Kevin Rudd became Labor leader by challenging the incumbent in December 2006. Shortly afterwards, Labor won the 2007 election and Rudd appointed Julia Gillard first as a super-ministry head with welfare responsibilities, and later as a formally recognised Deputy PM. After a short period of rivalry, Gillard announced before the 2010 election that she would challenge Rudd for the leadership. Knowing that he could not win, Rudd did not contest a leadership 'spill'.

Case 2: Gillard led Labor into the 2010 election and emerged as the largest party, but could only form a minority government with some independent MPs' support after a hung parliament outcome. After a few months' absence from the cabinet, Rudd became Foreign Minister, a post he held until 2012 when rumours of tensions with the PM led to him resigning. Gillard herself called a pre-emptive leadership spill and won. But a year later Rudd challenged formally for the Labor leadership and, this time, Gillard was unseated. After a few months of Rudd in office as PM for a second term, Labor lost the ensuing general election.

Case 3: Tony Abbott challenged incumbent Liberal leader Malcolm Turnbull in a leadership spill while the party was in opposition in 2009, beating him by one vote. After first not winning the 2010 election, Abbott later went on to clearly win the 2013 general election. He brought Turnbull into his cabinet as Minister for Communications, a relatively small portfolio, but one that aligned with Turnbull's policy interests. There were repeated rumours that Turnbull would challenge for the leadership, always denied. But as the government's troubles continued, Abbott survived a vote for a spill motion moved by backbenchers Luke Simpkin and Don Randall in February 2015. Then, in September 2015, Turnbull challenged and overturned Abbott in a leadership spill by 54 votes to 44 to become PM.

Case 4: Turnbull's performance in office was poor and his right-wingers hampered his efforts to move Australia towards green policies. As his opinion poll ratings lagged behind the opposition in the run-up to the National Energy Guarantee policy announcement in mid-2018, right-wingers (covertly assisted by his Finance Minister, Morrison and Immigration Minister, Peter Dutton) precipitated a leadership spill and Turnbull was ejected. In the subsequent leadership election, Morrison became PM, later leading the Liberal-National Coalition to a narrow victory over Labor at the May 2019 election.

Source: Compiled by the authors from a wide literature, and Tiffen (2017) *Disposable Leaders: Media and Leadership Coups from Menzies to Abbott*, New South Publishing.

‘Governance’ scandals and standards of conduct

Many of the most serious governance issues in the Australian core executive have been raised by government or ministerial misconduct that breached (or has been alleged to breach) the norms and conventions of ‘collective and ministerial responsibility’ on which any ‘Westminster system’ of party-dominated politics depends. These informal but morally salient rules have traditionally been seen as ‘tripwires’ that prevent two-party politics becoming over-polarised in nakedly partisan ways, or dissuade powerful ministers from abusing their position for party advantage or penalising social groups who support the opposition. Four recent cases have given grave cause for concern, according to critics of the Morrison government.

Politicising government advertising. In early 2019, it was common knowledge in the political world that the PM would soon call an election. One of the first principles of rule-of-law government is that the incumbent party should not be able to exploit state resources for its own partisan ends. But Morrison’s administration made a series of ostensibly ‘government information’ adverts extolling the spending carried out under federal programmes for roads, schools and the way that taxes had been minimised, all of which were run incessantly on every commercial TV channel in the run-up to the election. The announcement of polling was delayed to the last possible minute to ‘milk’ every possible advantage from the adverts. Ministers claimed that the whole exercise had been approved by the Secretary of DPM&C and Secretary to the Cabinet, Phil Gaetjens, Scott Morrison’s former Chief of Staff. In other ‘Westminster’ systems, like the UK, these adverts would never have been permitted.

‘Rorting’ and the role of political advisors. Concern over hyper-partisanship in Australian politics has focused on whether advisors now give ministers the potential to run their own ‘mini-department’ and interfere far more in the allocation of funds. In the run-up to the election, Sports Minister and Deputy Leader of the Nationals, Bridget McKenzie, had her staff draw up an elaborate spreadsheet of local schemes eligible for funding under a program to improve local sports facilities, organised by the type of parliamentary constituency they were in. The minister’s staff prioritised funding for the government-held marginal seats and areas where they hoped to capture the seat from Labor, plus awarding large improvement funds to Coalition ministers’ seats even where they already had elite-level facilities ([ANAO, 2020b](#)). Eminently deserving schemes in safe Labor areas were rejected, as were some in safe Liberal-National Coalition areas. When the spreadsheet was revealed in a Senate hearing, the minister brazenly refused to resign, claiming to have done nothing wrong, while Morrison tried to take the heat out of what became known as the ‘sports rorts’ case by promising a second round of funding for deserving projects passed over as electorally unimportant. Eventually it emerged that McKenzie had approved a facilities grant to a gun club of which she was herself a member, and on this ethical issue she had to resign ([Murphy, 2020](#)). But other critics alleged a far wider political favouritism in much larger programs, notably in urban roads improvements.

Allegations of sexual assault within government. In 2021, ministers’ offices were drawn into an acute controversy after Brittany Higgins, a former staffer to then-Defence Industry Minister, Linda Reynolds, alleged that she had been raped by another ministerial advisor in Reynolds’ office in 2019, and that she felt she was put under political and career pressure not to report it at the time. Less than two weeks later, allegations emerged that a current minister, later revealed to be Attorney-General Christian Porter, had in 1988, at the age of 18, raped a 16-year-old girl.

The alleged victim died by suicide in 2020 and Porter launched a defamation claim against the ABC and reporter Louise Milligan for publishing the allegation, even though the story did not name him. A series of other examples of sexual misconduct and sexist behaviour by staffers and politicians within parliamentary offices emerged over the weeks after Higgins' allegations were made public, confirming a deeply entrenched culture of inappropriate and allegedly abusive behaviour in parliamentary offices, particularly towards women. It further raised issues of an accountability deficit concerning the personal conduct of Australian ministers and advisors. When important office-holders can 'mark their own homework' with few effective checks and balances, as still largely happens with ministers in 'Westminster systems', there is a danger that they or their powerful lieutenants may overstep the boundaries of acceptable behaviour. Critics argue that the 'pressure cooker' atmosphere and relative isolation of the Parliament building add other risks of poor, club-like organisational cultures developing.

The 'robodebt' policy fiasco. This concerned a policy that operated from 2016 to 2020, which started when the welfare agency Centrelink linked up records of welfare payments and taxable income declared by households using an automated algorithm (**Commonwealth Ombudsman, 2017**). At the insistence of an ambitious minister, Christian Porter, who promised hundreds of millions of dollars could be saved by cracking down on 'welfare fraud', the agency began issuing thousands of automated claims for alleged over-payments of welfare benefits, which placed the onus of proof on individuals to demonstrate they did not owe the amounts generated by automated debt calculations (**Senate Community Affairs References Committee, 2020**). Thousands of people received large demands for payment based on faulty calculations, creating demands for wrong or grossly exaggerated amounts. The agency's phone lines immediately collapsed under the weight of queries and complaints, but ministers kept on insisting everything was all right well into 2017. Eventually, the scale of problems with the program emerged and it was suspended, after which a long-running legal challenge made its way through the courts, culminating in a declaration that the program was illegal in 2020 and instructing the government to pay back the money collected. A total of 470,000 incorrect debt demands were issued, resulting in an estimated \$721 million of wrongful payments to be returned (with some claims that repayments will reach \$1bn (**Henriques-Gomes, 2020**)). No compensation was paid to the families involved for the trouble, extreme anxiety and anguish caused.

The new Labor government in May 2022 appointed a QC (Catherine Homes) to undertake a Royal Commission to investigate the 'robodebt' episode, fulfilling the party's call (backed by the Greens) for a full investigation. In summer 2023, she reported, and her findings were devastating, concluding not only that the scheme was inherently administratively flawed in perfectly predictable ways but that it was in some key respects illegal (**Royal Commission into the Robodebt Scheme, 2023**, p.iii):

What has been startling in the Commission's investigation of the Robodebt scheme has been the myriad of other ways in which it failed the public interest. It is remarkable how little interest there seems to have been in ensuring the Scheme's legality, how rushed its implementation was, how little thought was given to how it would affect welfare recipients and the lengths to which public servants were prepared to go to oblige ministers on a quest for savings.

Truly dismaying was the revelation of dishonesty and collusion to prevent the Scheme's lack of legal foundation coming to light. Equally disheartening was the ineffectiveness of what one might consider institutional checks and

balances – the Commonwealth Ombudsman’s Office, the Office of Legal Services Coordination, the Office of the Australian Information Commissioner and the Administrative Appeals Tribunal – in presenting any hindrance to the Scheme’s continuance.

A closed section of the report referred a number of individuals to the Australian Federal Police, the Public Services Commission and other regulatory bodies. It was unclear at the time of writing if any of these referrals concerned former ministers, but a range of very senior APS officials and advisors to government were clearly involved.

In the aftermath of the final report, Kathryn Campbell, secretary of the Department of Human Services from 2011 to 2017, was suspended without pay from her position as a special advisor on the AUKUS nuclear submarine project, a position with a \$900,000 salary ([ABC News, 2023](#)). Additionally, a PwC consultant who testified to the Royal Commission was dismissed in the hours after the final report was released ([Mandarin, 2023](#); [Wikipedia, 2023](#)).

Commonwealth departments and ministers

In the Australian version of the ‘Westminster system’, relations between ministers and public servants have some significant differences from the UK source model. In particular, there has been a wider separation between politicians and administrators in Canberra than anywhere in Europe. Large ministerial offices have helped ministers run their portfolio(s). They each include numerous staff drawn from the 415 government ‘political advisors’ ([Finance and Public Administration Committee, 2020](#)). Most are party aides or activists used to working with each minister, plus ex-journalists, think-tankers or policy experts, several of whom are drawn from the Australian Public Service but not acting as public servants. Junior ministers are normally found in the same portfolio, supported by small offices. Junior ministers plus the minister’s chief of staff and their chief communications advisor are typically salient figures who carry a lot of weight in policy-making alongside the minister themselves. Each office also includes public servants seconded from the relevant department to facilitate close liaison. The ministerial offices are all located together in Parliament buildings at the heart of Canberra’s Parliamentary Triangle, with the media housed just upstairs from them in the same building. Critics argue that this has tended to increase ministers’ and advisors’ obsession with continuous news management and short-term political objectives, rather than fostering long-run policy-making, and that it contributes to misunderstandings between ministers’ offices and their departments.

Meanwhile, the main public service department for the minister’s portfolio will be located elsewhere – sometimes adjacent to the Parliamentary Triangle, or at a distance in the civic centre or even a Canberra suburb. Each department is headed and run by a Secretary and a Deputy Secretary, and includes numerous divisions headed by policy-level staff, the most senior of whom form a management board. Some observers see a trend towards ‘mega-departments’ with more integrated functions (see [Halligan, 2019](#)) and larger executive management teams. The department communications and media staff work closely and continuously with the powerful political staff members of the minister’s office. And, at any given time, the heads of particular divisions in the department will be working closely with the ministers’ political advisors on new legislation or executive actions to implement the minister’s priorities. On many more

routine and short-term matters a wide range of department staff will liaise with their colleagues seconded to the minister's office, such as answering parliamentary questions or enquiries from the minister.

This leaves long-range management of the department resting with the secretaries, who have typically been appointed for a five-year term, which must then be renewed or the secretary then moves elsewhere (including into retirement). Their time is often taken up with assisting ministers whom they see regularly, attending important policy meetings, including preparing for cabinet committees and inter-departmental meetings, plus trouble-shooting myriad operational matters that arise. In many departments, deputy secretaries manage long-range planning, budgeting and strategic initiatives. Critics argue that secretaries and their deputies have progressively retreated from their previous policy roles as fearless and dispassionate advisors, into becoming mere managerialists within their department and facilitators of ministerial political imperatives, however short-termist or ill-advised they may be (Weller, Scott and Stevens, 2011). A link has often been drawn between the heightened risk of termination of secretaries in recent decades, and this change in the frankness and fearlessness of their advice and conduct. The integration between Australian ministers and their departments has consequently been far less than in any European liberal democracy or the UK (where the ministers are expected to mainly sit in offices within the departmental headquarters, liaising with their civil service chief every day and divisional heads regularly, and operating with only a small staff of advisors).

Depending on the structure of their portfolios (settled by the PM and reflected in budgetary structures), Australian ministers may have a range of secondary agencies whose activities they supervise – many agency HQ buildings may be located in other parts of the country. However, the Canberra offices (averaging just under 5,200 staff) are clearly the politically dominant bodies, while most agencies are smaller in size (under 300 staff on average) and have a semi-autonomous character, albeit that they are governed by boards with chairs and members appointed by the host minister. Although a few regulatory agencies are set up to be independent, most are not in practice. So, Australia remains very distinct from the New Zealand model, where all ministers have multiple portfolios, each run by small policy-only ministries dealing with much-larger arms-length agencies. In Australia, the minister's writ clearly runs throughout all the administrative bodies in their portfolio.

Ministerial effectiveness and portfolio reorganisations

One of a PM's most potent uses of executive powers involves their unilateral control over the structure of government departments. The machinery of Commonwealth government is determined by the PM and reflects the political priorities of the government of the day. As in other 'Westminster systems', Australian PMs can abolish, merge, de-merge and reorganise ministerial portfolios and even their underlying departments at will. Prime ministers have scrapped or merged departments at times, and created new ones to reflect their political priorities, to respond to external changes, or to reflect the portfolios of particular ministers. All the main policy departments – plus a few major agencies running core state services (such as the large National Disability Insurance Service with over 4,500 staff) – covering 60 per cent of the Commonwealth workforce, work in administrative organisations whose structure can be changed by the PM. Machinery of government changes only require the Governor-General's approval, which is a formality and always given. There has been no parliamentary approval or scrutiny of this process – unlike in Canada, where parliament must vote to approve any

reorganisation of departments within a year of them coming into effect, or the previous status quo is restored. By contrast, almost all the executive agencies within the APS are set up by legislation, and so they can only be reorganised by enacting new laws, and thus gaining the approval of parliament.

In practice, despite this significant capability and the constraints of a three-year electoral cycle, on average Australian Commonwealth ministers have stayed in a given post for an average of 20 months in recent times (**Sasse et al., 2023, Figure 6**). This tenure has been very similar to that in other ‘Westminster system’ countries. Australian ministers also stay in their posts twice as long as those in Japan, much the same time as cabinet members in the USA, and more than those in France or Italy. However, their time in office is around half that of ministers in Germany, and substantially less than in most other European major countries.

During 2019–20, a particularly large-scale change was made to the structure of Commonwealth departments when the Department of Human Services (DHS) was formally transformed into a new mega-agency, Services Australia (**Morrison, 2019**), set up on the same model as a similar body developed some years earlier by the Liberal-National Coalition government in New South Wales. The agency aimed to handle in a more integrated, efficient and customer-responsive manner all the main transfer and welfare services previously run by DHS in departmental form. Although SA has an agency structure – with its own chief executive and more freedom to shape its own internal affairs, like other agencies – it was also set up with its own minister. In practice, it somewhat resembles the Australian Taxation Office, a kind of super-agency or sub-department run by public servants but politically controlled in many key aspects rather than being an executive agency proper.

Budgetary control within government

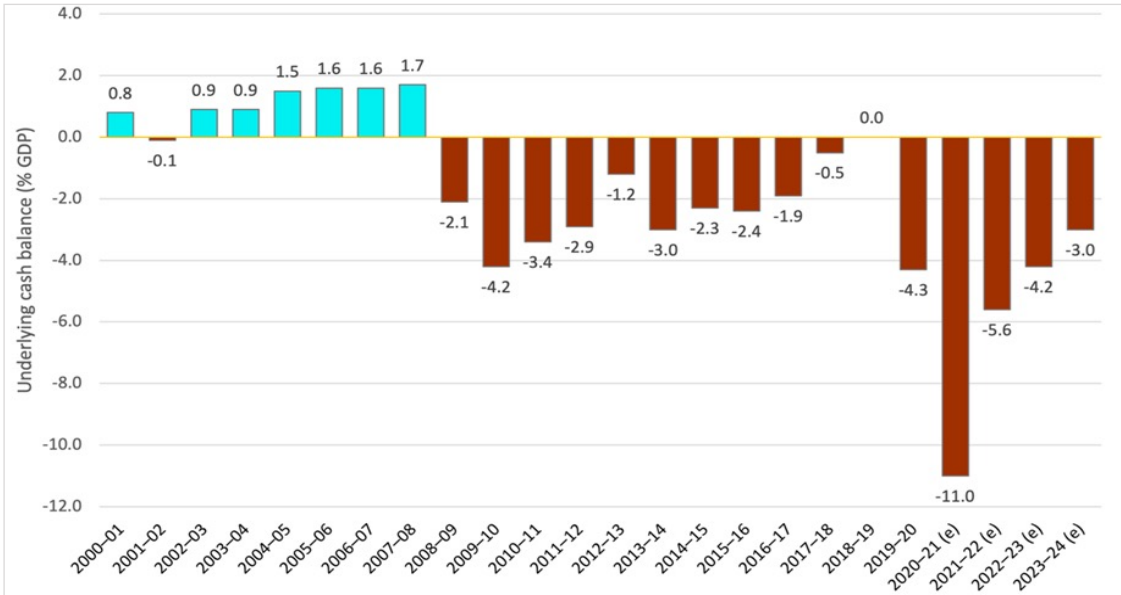
Australian fiscal policy has long been orchestrated through a medium-term framework that includes:

- ◆ maintaining federal public debt at ‘prudent’ levels, very low before 2008 but considerably higher since then
- ◆ a stable and predictable tax system, well-enforced
- ◆ not loading future generations with debt
- ◆ intervening to moderate cyclical economic fluctuations.

Across the Turnbull-Morrison administrations, this has required managing slower growth – globally and domestically; fluctuations in commodity prices and terms of trade; low inflation and income growth; and guiding Australia’s economy in transition.

Following its election on 2 July 2016, the Turnbull government aimed to achieve budget surpluses over the course of the economic cycle (see **Figure 13.5**). A ‘budget repair’ strategy was designed to ‘deliver budget surpluses building to at least 1 per cent of GDP consistent with the medium-term fiscal strategy’ (**Morrison and Cormann, 2018**). In 2019, it was on course to achieve some success and the Commonwealth government was projected to generate its first budget surplus in a decade, when these ambitions (always subject to political vagaries) were blown badly off course by the fiscal impact of COVID-19 (see **Figures 13.5** and **13.6**). Apart from this period, the key feature of **Figure 13.6** has been how little planned changes occurred in any indices. Similarly, **Figure 13.7** shows that the allocation of budgets across portfolios and functions has remained pretty stable over time, with most reduction occurring in ‘general public

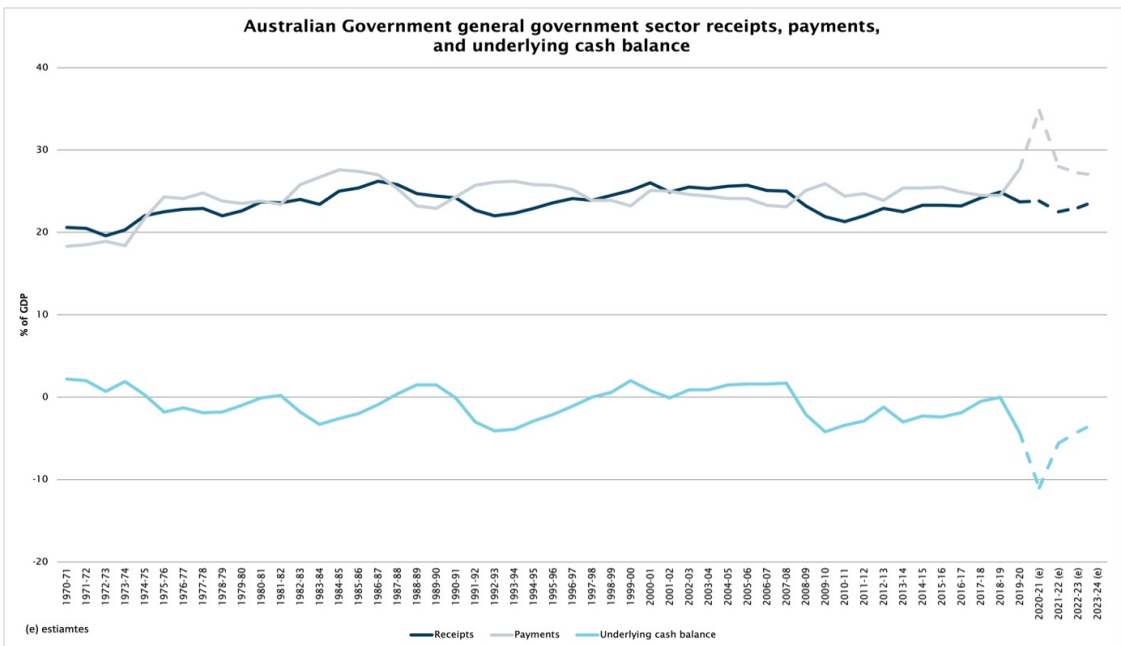
Figure 13.5: Underlying cash balance as a percentage of GDP (2000 to 2023/24, estimated)



Source: Taken from Australian Government (2021b) Budget Archive 2020–21, Budget Paper 1 – Budget Strategy and Outlook, Budget 2020–21, Paper No. 1, Statement 11: Historical Australian Government Data, Table 1. Web Report.

Note: Estimated 2021 onwards.

Figure 13.6: Australian government payments and receipts as a percentage (%) of GDP 1970–2024 (estimated from 2021)



Source: Australian Government (2021b) Budget Archive 2020–21, Budget Paper 1 – Budget Strategy and Outlook, Budget Strategy and Outlook 2020–21, Paper No. 1, Statement 11: Historical Australian Government Data, p.11.6. Web Report. And Australian Government, Budget strategy and outlook: budget paper no. 1: 2020–21, statement 5: Revenue – online supplementary tables.

Note: Estimated 2021 onwards.

services' and the largest increase in defence. The Coalition government strategy's budget rules required any new spending measures to be offset by reductions in spending elsewhere, with the Treasury banking budget surpluses in good times. In power since May 2022, Labor ministers broadly maintained this regime.

The Treasurer runs all economic policy-making and has normally been the number two minister in any Australian government. The Treasury has also played the dominant role in setting the overall budget within which the APS must operate. However, the detailed management of budgets across departments, and the expenditure review processes by which departments secure finance for their programs, rests with the separate Minister for Finance (MFF) and the cabinet's Expenditure Review Committee (ERC). The ERC has examined all proposals in the context of the government's overall fiscal strategy, and run reviews of individual ongoing programmes. [Figure 13.8](#) shows the timeline normally followed for budget-setting.

New policy proposals (NPPs) have historically come from several sources: the PM/cabinet decisions; portfolio ministers' priorities; responses to reviews/reports; and election commitments. The Treasury and the Department of Finance provide policy advice on the NPPs from portfolios submitted with estimates in the cabinet/ERC briefing process. Treasury also put up their own NPPs, reflecting their privileged role in the Commonwealth government advisory system.

The portfolio distribution of the budget across services is as shown in [Figure 13.7](#) and again has been generally stable over time. The big three spending areas are on welfare payments (paid directly to citizens), other miscellaneous spending and healthcare, where the federal government runs Medicare and provides grants to the states and territories who run hospitals and other services. Five other services account for over 5 per cent of the budget, including education support, defences, general public services and transport. A further six services account for less than 2 per cent of the budget each.

Figure 13.7: Estimates of expenses by function between 2015 and 2016 and 2022 and 2023 (as a percentage of spending)

Per cent (%) spending on	2015–16	2022–23 projection
Social security and welfare	35.4	35.8
Other purposes	19.1	21.1
Health	16	16
Education	7.5	7.3
Defence	6.0	6.7
General public services	5.6	4.3
Other economic affairs	2.2	1.6
Transport and communication	2	2
Fuel and energy	1.5	1.7
Public order and safety	1.1	1
Housing and community amenities	1.1	0.9
Recreation and culture	0.8	0.7
Mining, manufacturing and construction	0.8	0.5
Agriculture, forestry and fishing	0.6	0.5
Total expenses	100	100

Source: Compiled by authors from Australian Government (2021b) Budget Paper No.1 2019–20.

Note: Numbers are rounded to nearest 0.1 of total.

Figure 13.8: The Australian budget timeline

Overall budget process	Planning and prioritising	Government priority setting	September to May, Year 1
		Cabinet submission	
		ERC decision-making	
		Budget Cabinet	
		Budget delivered to Parliament	
Spending and monitoring	Mid-year economic fiscal outlook	October/November/December, Year 1	
Reporting and reviewing	Final budget outcome	30 September, Year 2	

Source: Compiled from Department of Finance (no date).

The PM, Treasurer and MFF establish policy priorities at the start of the budget process. The MFF then negotiates bi-laterally with each of the other 13 main departments on their portfolio totals and breakdowns within them, seeking to reach agreement within the Treasurer's limits (Figure 13.8). The ERC of cabinet acts as referee for this process where agreement proves hard to reach, and ultimately the PM may intervene. Australia's apparatus of Treasury and Department of Finance control make it one of the world's most well-run state budget systems, with little over-spending and normal, moderate under-spending.

Although senior public servants frequently complain that ministers keep them on short rations and under-staffed, Australian federal government has never really faced the kind of drastic austerity programs enacted in the UK, USA and many European countries between 2008 and 2010. Australia not only survived this global economic crisis almost unharmed, but has been able to draw on 30 years of continuous growth without recessions (before the COVID-19 pandemic). While APS staff numbers have stayed static for decades now, overall federal spending has progressively increased. Real cuts in programmes, and crude 'do less for less' strategies are relatively rare.

Australian government IT has also improved in the last decade, placing it regularly in the top five countries for UN and other rankings. Australian administrative elites have generally accepted that digital government has become a priority for effective policy-making now (Dunleavy and Evans, 2019a; Dunleavy and Margetts, 2023). However, an ambitious program of 'cultural change' around IT launched by former PM Malcolm Turnbull in 2016 with the creation of the Digital Transformation Office was reined back to a more conventional effort under Morrison (Dunleavy and Evans, 2019b). Several different but not completely adequate major project evaluation systems operate to ensure that IT disasters are restricted – so most areas except defence (and in recent times the national broadband program) have delivered IT systems fairly reliably. However, the Commonwealth government has never yet had any coherent program for improving government sector productivity – the Productivity Commission has mainly concentrated its reports on the private sector.

Australia's 'secret state'

Although Australia is only a medium-sized country, and has no nearby 'enemy states' (at least formally), it has maintained a substantial 'secret state' including:

- ◆ the Australian Security and Intelligence Organisation (ASIO, the internal security service)
- ◆ the Australian Secret Intelligence Service (ASIS, overseas intelligence)
- ◆ the Australian Signals Directorate (ASD, electronic and other tech surveillance)
- ◆ the Defence Intelligence Organisation (DIO, military intelligence)
- ◆ the Australian Geospatial-Intelligence Organisation (AGO, a small body that does satellite intelligence mainly).

Their activities have been supervised by the Office of National Assessments (ONA), which coordinates information, reporting to the DPM&C or its key committees. The PM sanctions major decisions and reporting runs from the agency to ONA and the PM&C department, with the PM's top political staffs sometimes involved. Australia has a developed inter-departmental national security apparatus, which focuses on the National Security Advisor to the PM, who can convene a National Crisis Committee in a crisis to discuss policy. A lot of its focus has been on the prevention of terrorist attacks.

Australia has close working relationships with the US intelligence organisations, with ASIS linked to the CIA and ASD working with the USA National Security Agency. Less important strong links are to agencies in three other 'Anglosphere' countries (the UK, New Zealand and Canada) in the 'Five Eyes' network, and on a lower level to some Asian closely allied countries (like Japan and Singapore). These overseas ties, plus a long British imperial history of running intelligence and now national security in very tightly constrained subgroups of ministers, explain why the cabinet's small National Security Committee makes decisions that cannot be reviewed or overturned in main cabinet.

Of Australia's five intelligence agencies, only ASIO makes an annual report to parliament. All sensitive information in it has been redacted, but it is known that ASIO had 1,930 staff and an annual budget of AU \$591 million in 2020. The budgets and staffing of the other four agencies have not been disclosed. Since 1986, a supposedly independent Inspector-General of Intelligence and Security (IGIS) has had powers to investigate if agencies have misused their powers and inform parliament, but this has been a low-profile body with few staff or powers.

These highly non-transparent arrangements have fuelled persistent controversy about the existence of an 'inner state', one that controls the drone killings of terror suspects in military action zones overseas, and some extra-legal actions of national security or army special forces. ASIS has been accused of colluding in the renditions and torture of terror suspects implemented by USA agencies in Iraq and Afghanistan from 2002 to 2008, and of using information gained from a program where prisoners were sent for interrogation to US-allied states where torture was still in use. Other allegations of malpractice in a 'deep state' have frequently surfaced, especially given Australian armed forces involvement in the two Iraq wars and Afghanistan, where Australian Defence Force inquiry reports have suggested serious misbehaviours by Australian elite soldiers (see [Chapter 8](#); [BBC, 2020](#)).

Policy failures and failures to act

Most criticisms of the Australian core executive as a policy-making apparatus focus on ministerial elites being too short-termist and powerful vis-à-vis their ‘generalist’ public servants, able to instruct the implementation of ill-advised policy or stifle change completely. Both the leading politicians and the special advisors who ride into office on their coat-tails are generalists who have honed their skills in adversarial politics over many years. They may tend to view policy issues principally (perhaps almost solely) in terms of partisan and career advantages and risks. This has led critics to suggest that Australian Commonwealth government over the past two decades has been plagued by policy stagnation, with limited progress in addressing long-term challenges associated with demographic change, income inequality, productivity growth, energy policy and climate change.

Climate change inaction

As the driest inhabited continent in the world, with huge solar potential, and a country exposed to regular spectacular heatwaves and associated bushfire outbreaks, Australia might be expected to be a leading advocate for rapid climate change counter-measures and a speedy end to the burning of fossil fuels (see [Chapter 27](#)). However, the giant mining companies have played a significant role in fuelling the economy’s growth and providing exports of cheap coal to China and other markets, and have a lot of political clout. They have contributed significant funds to the Liberal-Nationals and some Labor politicians (see [Chapter 7](#)), and governments of both parties kept Australian policy changing at a glacial pace before 2022 ([Clean Energy Council, 2021](#)). Solar power previously fell behind but since 2019 subsidies at the state government level and big cost cuts for panels have stimulated a rapid growth of solar power, reversing Australia’s previous laggard position.

However, phasing out of fossil fuel vehicles has only recently started to be discussed, with no federal government commitment on a date – compared with (say) Victoria, where a phase-out by 2035 has been proposed ([Australian Financial Review, 2023](#)) or the UK where new fossil-fuel vehicles cannot be sold after 2035, and where all such vehicles must be phased out by 2040. And along with President Trump’s USA, Australia under Liberal-National Coalition governments was long a prominent recalcitrant in efforts to combat climate change, and an advocate of the ‘least progressive option’ on almost every occasion. Only in 2021 did Morrison accept the need for a transition to a net-zero emissions economy by 2050, long after every Australian state and territory had officially set this target.

The summer of 2019 to 2020 dramatically highlighted the vulnerability of Australia’s big cities to global warming, with bushfires entirely engulfing huge areas of Australia, the deaths of an estimated half a billion wild animals and a loss to the economy equivalent to A\$100 billion (although rebuilding with state aid also created a later spring-back stimulus). From 2019 to 2020, the damage covered all the main populated areas of the south and east of the continent (whereas the 2018 to 2019 fire season principally affected the less populated north and west of the country). Cities like Melbourne, Sydney and Canberra suffered weeks of intense smoke pollution penetrating every building, with a huge cost in adverse health effects.

The Morrison government reacted very late to the fire threat, and some Liberal-National Coalition MPs continued to deny any link between the ‘black summer’ disaster and global warming. Ministers intervened to mitigate immediate short-term damage, but made only

incremental changes in Australia's wider climate change policies. It was only when President Trump's defeat in November 2020 heralded a renewal of American commitment to combatting the climate emergency that Australia belatedly took hesitant steps to avoid seeming too isolated from the international consensus on urgent action to stem the adverse effects of fossil-fuel burning.

Foreign policy

A second area of acute core executive failure to define workable long-run policies has been Australia's increasingly fraught position as a close ally of the USA, and a country heavily dependent on the USA's military and diplomatic protection, while its major exports of iron ore, coal and agricultural products go to China. From 2016 to 2021, as former President Trump dragged Morrison's government with it into an escalating series of conflicts with Beijing, while Xi Jinping's regime increasingly cultivated a brusque and hectoring diplomatic style, Australian foreign policy increasingly seemed to be hypnotised in the lights of an oncoming car crash. There seemed no easy way out of the dilemma, dramatising the argument of critics that Australia (despite years of effort) remained a 'stranded' white nation in an Asian setting (Walker, 2019). Albanese's government continued past Liberal-National Coalition policies of rapidly increasing the small defence budget in the next decade, hoping that a Biden presidency would dial-down the conflict with China, and as China's stance softened this seemed to work (see Chapter 28). However, ministers have seemed to have few viable alternative strategies in view.

Yet, in 2021 the Morrison government was galvanised into action and implemented a sweeping and decisive change in Australia's defence posture by suddenly cancelling a contract for conventional submarines with a French contractor (and paying hefty compensation), and setting in place a new AUKUS arrangement for Australia to gain new nuclear-powered submarines of far greater capability (in time). Accepted by the Albanese shadow cabinet (after just 24 hours' notice of the changes), the AUKUS arrangements initially prompted a harsh Chinese counter-response. Yet Chapter 28 shows that Australia actually proved able to sidestep much of the anticipated damage. The Albanese Labor government also back-peddled on Morrison's harsh policy rhetoric, recreating links to Beijing while also reaffirming its AUKUS commitment. Thus, Canberra seemingly has (partly) resolved its previous dilemma.

Conclusion – the 'clammy hands of centralism'

The 'Corona crisis' period had both positive and negative impacts on executive governance in Australia. In domestic policy terms, Australia's core executive worked smoothly and (apart from some spotty over-reach of executive powers) it has clearly not degenerated in the 21st century, unlike (for instance) its UK counterpart (Dunleavy, 2018; Bevan, 2023). Australia's governance retains core strengths, especially a weight of tradition that regularly produces better performance under pressure, reasonably integrated action on national security for citizens, and the ability to securely ride out crises. Moreover, while public trust in the political class has faded on the path to recovery (Evans, 2021), the APS has largely remained one of Australia's most trusted institutions.

Significant problems remain, including the dominance of the Commonwealth executive within the federation amply demonstrated in this audit (see [Chapter 16](#)). Within the federal tiers, Westminster principles of parliamentary democracy came under challenge from 2016 to 2022 with mounting integrity problems, the increasing politicisation of the APS (demonstrated in acute form by the robodebt fiasco) and gridlock between the last Liberal-National Coalition government and the APS on the way forward reflected in the abortive 2019 APS Review. Labor ministers have promised greater consensualism in policy-making and put forward a new public service bill. But it has exceptionally modest provisions and critics argue it does little to strengthen any future APS capability to constrain ministers on integrity or equality grounds (see [Chapter 14](#)). In short, the executive wields disproportionate power in Australia's democratic settlement which undermines the effectiveness of traditional checks and balances through the separation of powers. Moreover, recurring 'policy short-termism' and inaction on issues like climate change decision-making at the heart of government gives further cause for concern. The Commonwealth government's successful management of fiscal policy, maintenance of long-run economic growth and largely effective response on COVID-19 are offset by policy inertia in other key areas, the short-term reactionary nature of much policy development in Canberra and the limited impact of evidence-based policy-making beyond the public health and economic spheres.

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