

# Australian Labor government's "2020 summit": more political spin to package right-wing agenda

Patrick O'Connor  
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Prime Minister Kevin Rudd's two-day "2020 summit" concluded yesterday amid an outpouring of rhetoric about "fresh ideas" and "long term visions" for Australia's future. In fact, the summit represented yet another attempt by the Labor government to fashion a "democratic" facade for its right-wing economic agenda. In those sessions regarded by the government, big business and the media as the most critical—dealing with productivity and the future of the economy—senior Labor ministers and corporate CEOs hammered out proposals to slash tax rates, abolish business regulations, and privatise infrastructure development.

Rudd billed the 2020 summit as a major exercise in popular democracy. One thousand participants, hailed as Australia's "best and brightest", were divided into groups of 100 and instructed to debate ten designated subjects—the future of the Australian economy, economic infrastructure, population and the environment, rural industry, health, communities and families, Aboriginal issues, arts and culture, governance and democracy, and foreign policy and national security. Delegates in each group were asked to produce one "big idea" for the future, and at least three concrete policy proposals, "at least one of which is to involve no cost or negligible cost". The government has committed itself to responding before the end of the year.

"Today we are throwing open the windows of our democracy, to let a little bit of fresh air in," Rudd declared in his opening address to the gathering. "Rather than pretending that we the politicians of Australia have all the answers, and the truth is, we don't, we are turning now to you, the people of Australia."

What a fraud! Far from having anything to do with democracy, the 2020 summit represented a carefully crafted public relations exercise. Proceedings were dominated by leading business representatives who chaired the various sessions along with hand-picked academics, media representatives, and celebrities. The *Sunday Age* noted that the transportation arrangements reflected the real state of affairs, with CEOs and other high profile participants picked up at Canberra airport by chauffeur-driven Commonwealth vehicles, while others were relegated to buses.

An air of unreality hung over the summit, which was broadcast live on ABC television. Delegates "brainstormed" various proposals (complete with markers and butcher's paper) in an atmosphere that was entirely divorced from the pressing concerns of ordinary working people. And while the various sub-groups advanced their proposals—an Australian republic, a bill of rights, a treaty with Aborigines, increased funding for the arts, etc.—those involved in the economic reform and productivity groups developed their demands for far-reaching "free market" reforms that will further erode workers' living standards and exacerbate social inequality.

These proposals belied the stated premise of the 2020 summit—that the

government was charting a new path forward in the "national interest". The reality is that Australia is not a homogeneous "nation", with a unified, "common" interest. Australian society has never been as highly polarised as it is now, with a tiny minority enjoying unprecedented levels of wealth while the vast majority confront stagnating or declining wages, escalating costs of living and growing insecurity. While social and economic life is increasingly determined by the one-sided class warfare being waged by the ultra-wealthy against the working class, the 2020 summit promoted the concept that what was good for big business was good for all.

There was certainly no danger of the "big end of town" lacking representation at the Canberra meeting. Australia's richest individual, mining magnate Andrew Forrest, was in attendance, together with several of his fellow billionaires including James Packer, Lachlan Murdoch, and Kerry Stokes. A host of CEOs was also invited, including BHP Billiton's Marius Kloppers, Fairfax's David Kirk, CSL's Brian McNamee, Qantas's Geoff Dixon, and Telstra chair Donald McGauchie.

For the most marginalised and the disadvantaged layers of society the situation was markedly different. "Where are the homeless people?" Salvation Army chief secretary James Condon asked the *Australian*. "Where are the people who've been addicted to alcohol? Where are the gambling addicts? I've looked through the list [of delegates], but it's the people who aren't on the list who've come through it, who have taken their place as valued members of society and can inform others."

Treasurer Wayne Swan co-chaired the group session on the "Future of the Australian Economy", along with David Morgan, former CEO of Westpac Bank and current chairman of the Australian Bankers' Association.

"Australia should be the best place in the world to do business," the group insisted. Its final report stressed that a "seamless national economy" needed to be created through the development of a single market in major areas of potential corporate activity, including labour, energy, water, carbon, transport and communications, instead of the current state-based systems. This would involve the elimination of corporate and financial regulations in a new relationship between federal and state governments. (The governance group—co-chaired by Labor MP Maxine McKew and John Hartigan, CEO of Murdoch's News Limited—similarly stressed the need for a "new federalism".) For both the governance and economy groups, the aim was to ensure that no state fell behind in the relentless drive to boost competitiveness, productivity, and profit rates.

The economics group also advocated the promotion of private investment in social infrastructure (so-called Public-Private Partnerships), and demanded a major overhaul of Australia's tax system. Co-chair David Morgan told the *Australian* that the Rudd government should slash company taxes, including stamp duty. The banking executive insisted that

enormous tax cuts were necessary. A background paper prepared for the summit claimed that the corporate tax burden in Australia was 5.9 percent of gross domestic product in 2005, compared with a rate of 3.1 percent in the US.

Deputy Prime Minister Julia Gillard and Warwick Smith, former Liberal parliamentarian and senior executive with Macquarie Bank, co-chaired the group addressing the “productivity agenda”. As in the discussion on the future of the economy, the delegates stressed the goal of maintaining Australia’s “international competitiveness”. Education, training, science and innovation, were all to be even more closely tied to the demands of big business. The highly reactionary nature of the discussion was encapsulated in Gillard’s proposal that each of Australia’s 100 leading corporations should “adopt” a high school in order to “provide mentors or practical support on areas such as information technology and human resources”. The 2020 summit’s final report also noted that this program could be extended to universities and technical colleges.

Smith’s leading role in the productivity discussion underscored the bipartisan character of the whole affair, with Liberal leader Brendan Nelson also a willing participant.

In sections of the media, the 2020 summit met with a cautious response. The Murdoch press essentially demanded that Rudd get on with the job. Having won power last November after attacking Howard from the right for his failure to advance sufficiently far reaching economic reforms, the Labor Party is now expected to deliver on its promises. As far as the *Australian* is concerned, Rudd’s agenda is already clear—having been elaborated in its editorial columns and in the “New Agenda for Prosperity” conference it sponsored last month. (See “Australia: Murdoch-sponsored conference outlines ‘new agenda’ for Rudd government”)

“While not new, [the summit’s recommendations on the economy and productivity] are all areas that have entrenched interest groups and require great skill in breaking down existing power structures within the public service,” today’s editorial in the *Australian* concluded. “They are also the areas on which the Rudd government’s long-term success or failure will ultimately be judged... Having held a summit to confirm what he already knew, the time has come for real decisions. Faced with having to spend valuable political energy dealing with issues such as a republic and bill of rights, it remains to be seen whether the summit has made Mr Rudd’s task easier or more difficult.”

A feature article in Saturday’s *Australian* written by George Megalogenis was more explicit. Titled, “A show about nothing”, the newspaper’s senior writer questioned whether Rudd would be remembered as a “do-nothing” leader on economic reform like former Liberal Prime Minister Malcolm Fraser or state Labor Premiers Steve Bracks and Bob Carr.

Warning that the major reforms enacted by previous governments had all come within their first year of office, Megalogenis advised Rudd not to postpone unpopular measures: “The hard stuff is still ahead for our most popular PM. It begins with the May 13 budget. Australia is overdue for a recession, and Rudd will be tempting fate if he believes he can defer reform of the tax and welfare systems, for example, until his second term. Pass up the opportunity of a tough budget next month and Rudd risks being caught with Howard-era handout programs that he can’t tear up in a downturn.”

The Labor government has given every indication that it intends to meet its commitments to big business, beginning with an austerity budget that will slash billions of dollars in social spending. Enormous cuts have been demanded by the financial markets, which are concerned about rising inflation and the threat of a recession triggered by the US financial crisis. Treasurer Wayne Swan has warned people to expect “pain”, while Rudd has predicted there will be “squeals”.

Contrary to the concerns of the *Australian*’s editorial writers, however, the 2020 summit represented not a distraction from this agenda but rather

an essential political mechanism for its implementation. The Rudd government’s manoeuvres are driven by the same dilemma confronting its counterparts throughout the world—how to implement an economic and social agenda that is diametrically opposed to the interests of the vast majority of the population.

This agenda—the intensification of market reforms at the direct expense of the social position of the working class—cannot be openly acknowledged. Instead, ordinary people will be told that cuts in social spending and reduced living standards must be accepted as necessary sacrifices for the long-term good of the nation.

A parallel refashioning is taking place in relation to foreign policy, with the Rudd government seeking to promote a new international image behind which it can more ruthlessly advance the regional and global interests of the Australian ruling elite. The 2020 summit session on foreign policy, co-chaired by foreign minister Stephen Smith and Griffith University’s Professor Michael Wesley, promoted greater engagement with Asia and the South Pacific as well as more emphasis on “soft power”. This tied in to Rudd’s recent world tour, in which he sought to advance a new “middle power diplomacy” based on a less exclusive reliance on the US alliance.

The 2020 summit was convened as tensions between the major powers continue to escalate and the financial crisis sparked by the collapse of the US sub-prime mortgage sector reverberates around the world. In Australia, the world “credit crunch” and threat of a 1929-style financial collapse has led to demands in financial circles for even greater budget cuts.

Rudd consciously crafted the 2020 summit by stressing the need to cultivate ideas from Australia’s “best and brightest” as opposed to the old “ideological debates” between left and right. He insisted that summit delegates were there as individuals, not as representatives of broader organisations. The purpose of this was to portray any opposition to the summit’s agenda or deliberations as prejudiced, narrow minded, or motivated by sectional interests.

The summit follows other similar “symbolic” government initiatives—such as the ratification of the Kyoto Protocol on climate change and the issuing of a formal apology to the Aboriginal stolen generations—aimed at bringing into the fold a layer of the “liberal” middle class and academia. These elements played an important role in many of the summit’s more peripheral sessions—which were prominently featured in the media coverage. Calls for another referendum to change the constitution to a republican model—following the defeat of the first attempt in 1999—were given particular attention.

A large portion of the media coverage focussed on celebrity participants, and their enthusiastic participation. But not every delegate was satisfied with proceedings. Some told the *Australian* that their contributions had been ignored in favour of policies already endorsed by the government. Others denounced the final report, issued after the summit sessions had concluded, for misrepresenting what had actually been discussed. “Many participants [in the arts session] found their ideas of the previous day had been distilled into a bland, bureaucratic-style language,” the *Australian* reported. Theatre producer Stephen Armstrong was reported as saying there was a “general consensus” but the emphasis of the final report did not fully reflect what participants had expected.



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