Phil Gaetjens, who has served as chief of staff to two Liberal treasurers, will now run the Treasury department, after the early resignation of the current secretary, John Fraser.

Fraser, known for his sometimes outspoken comments, has been in the job since early 2015, after returning to the public service from the private sector.

Gaetjens brings to the position a strong background in both bureaucratic and ministerial office positions.

He was secretary of the NSW treasury in 2011-15 and was a senior official in the federal treasury, the prime minister's department and the South Australian treasury. Gaetjens was also the first director of the Asia-Pacific Economic Cooperation (APEC) Policy Support Unit in Singapore in 2008-10.

He recently left the job of chief of staff to Treasurer Scott Morrison, a position he also held under Peter Costello. When he was leaving, Foreign Minister Julie Bishop and Morrison announced Gaetjens would be Australia's next ambassador to the OECD in Paris. Just a over a month later, he was announced as the new head of Treasury.

Fraser's resignation will take effect from July 31. His contract did not end until the start of 2020.

Morrison paid tribute to Fraser's work, saying he had upgraded the Treasury's liaison program with business and the broader economy especially focusing on regional areas.

"John drove the expansion of Treasury's presence outside of Canberra to both attract new officers with a business background into Treasury and ensure Treasury was more plugged into what was happening in the wider economy." Morrison said.

But Labor has greeted Gaetjen’s appointment very critically, which raises questions about his future if the ALP wins next year’s election.

Shadow treasurer Chris Bowen said the choice was “unlikely to restore faith in the Australian Treasury after years of politicisation by the Liberal Party and by Scott Morrison in particular.”

“Over the last two decades, Mr Gaetjens has spent a lot more time in Coalition Treasurers’ offices (13 years) – as Chief of Staff to Costello and Morrison - than in the Australian Treasury (four years),” Bowen said.

“Despite this appointment coming on the eve of a general election – when Treasury (with Finance) produces the Pre-Election Economic and Fiscal Outlook - the Treasurer did not bother to consult with the Opposition, he said.

Bowen said Morrison had regularly used Treasury to cost Labor’s policies, then releasing those costings to select media to try to damage the ALP.

Earlier this week Fraser attracted some attention with a strong condemnation of the trade war between the US and China, saying "one can only hope that common sense will ultimately prevail”.

Speaking to the Australian Conference of Economists – in what in retrospect were obvious pre-retirement observations – he reflected in some detail on his two stints at Treasury - “the 20 years I spent in the department up to 1993 and the three-and-a-half years I’ve been here since my return”.

“Treasury is no longer the lone, or one of only a few, sources of economic policy advice. This is now a crowded field. On any given policy question, ministers will have access to a welter of informed and credible private sector, academic and even international views,” he said.

“In this world, Treasury cannot assume it is in the box seat. Our advice can and will be tested. If what we are telling ministers is not up to scratch, its flaws and limitations will be exposed.

"It is commonplace, if not a cliché, to say that public service advice is contestable but the reality is harsher than that. Poor public service advisers can be bypassed altogether.”

Fraser said that in the department’s outreach to the private sector, “I have been struck that it is often smaller and medium-sized businesses which offer the best insights. The big business perspective will always be important but can sometimes - depending on the organisation and the individuals involved - sound a little formulaic and predictable in comparison.”

Michelle Grattan does not work for, consult, own shares in or receive funding from any company or organisation that would benefit from this article, and has disclosed no relevant affiliations beyond their academic appointment.

Authors: Michelle Grattan, Professorial Fellow, University of Canberra

Read more http://theconversation.com/changing-of-the-guard-at-the-treasury-department-99853