

Phil Gaetjens, the incoming Treasury secretary, must be very brave, highly confident in his ability to handle tricky situations, or a fatalist.

Shadow treasurer Chris Bowen has attacked the appointment of Gaetjens, who until recently was Treasurer Scott Morrison's chief of staff, as further "politicisation" of Treasury. If Labor wins the election, Gaetjens might get the boot.

After all, there is recent precedent. When Tony Abbott became prime minister he immediately fired then treasury head Martin Parkinson, primarily because Abbott and his chief of staff Peta Credlin thought Parkinson had been too political, notably on climate change when he'd headed the then-climate change department.

Bizarrely Parkinson, for reasons of the government's convenience (the G20 meeting and budget preparation), was kept on for more than a year. Later, after Malcolm Turnbull ousted Abbott, Parkinson was reincarnated as secretary of the Prime Minister's department.

Gaetjens, though having worked in Treasury, has a long association with the Liberal side of politics. He was Peter Costello's chief of staff, and NSW treasury secretary under a Liberal government. Moreover, his appointment is part of a triple shuffle of former Liberal staffers, highlighted by Bowen in a tart statement on Monday.

In other moves late last week Michael Brennan, who's been a Liberal federal and state ministerial staffer as well as a bureaucrat, most recently a deputy secretary in Treasury, was named the new head of the Productivity Commission. Simon Atkinson, who'd worked as chief of staff to Finance Minister Mathias Cormann, is taking Brennan's job. Atkinson goes from the position of cabinet secretary within the Prime Minister's Office.

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View from The Hill: New Treasury secretary rolls the dice on his future

Written by Michelle Grattan, Professorial Fellow, University of Canberra

Bowen questions the appropriateness of the three-person panel who recommended Brennan, as two “have resigned their positions”: John Fraser, the outgoing Treasury secretary, and John Lloyd, the departing Public Service Commissioner who quit amid political controversy over his behaviour in his job. According to Bowen, the panel “should have been reconstituted given the terms of Mr Lloyd’s departure and his inability to remain impartial”.

It should be said, however, that public service sources praise Brennan’s ability – and as chief of the Productivity Commission, a high profile role, he’ll have a lot of incentive to demonstrate his independence.

Labor is also querying the handling of the Atkinson appointment, asking whether the position was advertised internally or externally (the answer is apparently no).

Bowen said if he became treasurer the department’s “politicisation will end”. He hasn’t said whether that would involve ousting Gaetjens.

Coalition governments especially treat the top echelon of the public service in a political way, in terms of selective sackings on coming to office, and some appointments.

Fraser was essentially a political pick when he was brought in from the private sector, although he’d previously had a long stint in Treasury.

As well as angering Labor, the installation of Gaetjens has raised eyebrows in bureaucratic quarters.

The issue is not that a person has served “up the Hill” - something seen as [desirable](#) all round - but how long they’ve been there and how strongly identified they’ve become with one side of politics.

Public servants, even those many who do stints in ministers’ offices, try to preserve a distinction

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between bureaucratic and “political” work, steering clear of what can be seen as obviously partisan, though the line has become more blurred. Modern governments demand “responsiveness” from the public service, which is increasingly drawn into the political argy bargy and ministers’ obsession with the 24-hour media cycle.

Morrison has used Treasury for number crunching in his attacks on Labor policies. His office periodically gives the results of these exercises, with its political spin, to Morrison’s favoured media outlets.

Dragging Treasury into these operations is bad for the department’s reputation.

On (admittedly rare) occasions, public servants bite back when politicians step over the line.

In a sensational intervention before the [2013 election](#), the heads of Treasury, Finance and the Parliamentary Budget Office publicly repudiated an attempt by the Rudd government to use their authority to discredit the Coalition’s savings figures.

Morrison last month was publicly [slapped down](#) by the Parliamentary Budget Office when, in an embarrassing incident for his department, he tried to have its numbers discredit Labor’s proposed dividend imputation changes, which had been costed by the PBO.

If Labor comes to power, Gaetjens’s tenure could be under a year, so it’s rather a wonder he took the job. Only weeks ago he was named as Australian ambassador to the OECD in Paris – a good gig.

Maybe he believes Turnbull will hold on, or perhaps he thinks he could bring Bowen around if circumstances required.

Between now and the election he’ll face plenty of challenges, with his performance under close scrutiny, not least by Labor.

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For his own standing, and that of his department, he'll have to resist any attempt by Morrison to presume on the old relationship. As one public servant puts it, "The tricky thing will be when Morrison asks him to do something he shouldn't do."

One thing he will be doing is participating in the preparation of "blue" and "red" books, which are ready for whichever side forms the next government. Gaetjens will be overseeing the advice for a Labor administration about how to implement policies that, while on Morrison's staff, he was helping to trash.

Then there is the preparation of the Pre-election Economic and Fiscal Outlook (PEFO). Early in the campaign, the Treasury and Finance department secretaries issue an independent outlook for the economy and the budget. That set of figures – including the level of detail it provides - is a rigorous test of departmental neutrality.

If a Labor government decided it couldn't work with Gaetjens, it might find him another post. Possibly something like that OECD job?

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

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