

Martin Parkinson declares 'entrenched disadvantage' in Australia a disgrace

Written by Michelle Grattan, Professorial Fellow, University of Canberra

Outgoing secretary of the Prime Minister's Department Martin Parkinson has condemned "entrenched disadvantage" in Australia, in his valedictory address on leaving the public service.

Parkinson also warned it was imperative that Australia did not allow "the kind of retreat from openness and vilification of differences" that had happened in some other countries.

During his long career Parkinson headed the climate change department (now defunct) and treasury (from which he was sacked by Tony Abbott), as well as the prime minister's department, where he will now be succeeded by Phil Gaetjens, formerly Scott Morrison's chief of staff and most recently head of treasury.

In his Monday address Parkinson said Australia had not had "the rising income inequality at the top end" of the United States and much of western Europe, "although wealth has become more unequally distributed off the back of rising house prices".

But this was a "low bar", he said.

"Our history has bequeathed a degree of entrenched disadvantage that should be seen as a disgrace in any country, but particularly one as developed as Australia," he said.

More than half of those in the bottom decile in 2000 were still in the lowest 20% 15 years later, he said.

Ideally, people should only be at the bottom of the income distribution spectrum temporarily due to life events, not whole families and communities sentenced to it for generations.

If you want a single thing to blame for the disadvantage we see in Australia, particularly in our

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remote areas, look no further than an understandable lack of hope. With those kind of odds, anything else would be irrational.

A key to evening people's chances was to have the best education system that could be achieved and a culture valuing learning, Parkinson said.

He said Australia would need to use all its advantages to sustain its prosperity and security in the future. These included its multicultural society, a merit-based culture and a market-based approach.

There are really only two choices for this country. We can take pride in our diversity and use it as an advantage when interacting with the world, or we can hunker down behind borders and slowly gnaw at each other.

Parkinson said that "to their credit, our parliamentary leaders have maintained a remarkable commitment to an open economy and social cohesion, despite immense pressures the other way".

On the international front, Parkinson said many regional and global institutions, including the International Monetary Fund and the World Bank, the G20 and APEC, were struggling.

It's particularly hard for the WTO to enforce trade rules when the largest countries are openly flouting them.

The United States largely built this order in its own image, under-writing it with security guarantees. We benefit immensely from this order and must help support it wherever we can.

Parkinson reflected on his disappointment at his dismissal as treasury secretary. "I received the

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'wooden spoon' as head of the treasury in 2013 – a job I enjoyed and in which I aspired to follow the nation-building work done by predecessors such as Chris Higgins, Ted Evans and Ken Henry.

"It was a drawn out departure, and I couldn't even look forward to sitting on the couch to watch a care free game on the weekend as the Essendon Bombers also had a terrible season."

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.

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