



He should have known better

PETER VAN ONSELEN

The pain of not becoming prime minister overshadows the former treasurer's story

The Costello Memoirs

By Peter Costello, with Peter Coleman
MUP, 400pp, \$54.99 (HB)

PUBLISHING political books is an art form and it is one that Melbourne University Press has mastered. But purists in the publishing industry would question the extent to which MUP not only records political events, but shapes them as well. The release of *The Costello Memoirs* and, more importantly, the pre-publicity the book received, sank Brendan Nelson's leadership. Sure, he wasn't travelling well, but the constant "will he or won't he?" speculation about Costello's interest in the Liberal Party leadership, sparked by the looming release of his book, denied Nelson the clean air he needed to improve his standing in the polls.

The Latham Diaries and *John Winston Howard* (which I co-authored), both published by MUP, could also be accused of affecting the politics they examined. Malcolm Turnbull and Kevin Rudd should watch out: MUP chief executive Louise Adler is no doubt searching for her next subject.

Costello's memoirs are organised thematically and according to the time line on which events occurred. The first half of the book traces Costello's family history and his early years in parliament, including the politics of the first two terms of the Howard government. It also spends a good deal of time outlining the case for economic reforms, including granting the Reserve Bank of Australia independence, setting of the 2 per cent to 3 per cent inflation target and introducing and implementing the GST.

The economic detail is insightful if at times

turgid. Costello is quick to remind readers that the accepted wisdom of many of the initiatives was not always bipartisan: Labor opposed several of his reforms.

The second half of the book largely approaches Costello's career in a thematic way, detailing his views on the Asian economic crisis, indigenous reconciliation and the war on terror. He also devotes a chapter specifically to the issue of leadership tensions between himself and Howard.

The structure adopted by Costello and his writing partner (and father-in-law) Peter Coleman allows readers to freely move between chapters of interest. This makes it a handy reference tool and a valuable addition to any political library. It also makes for an easier read; I suspect some readers will skip the drier aspects of public policy examination and move straight into the headline-grabbing sections.

The opening chapter is designed to draw us in, focusing on the final days of the 2007 campaign, including the night of the election. Costello's version of his conversation with Howard that night is curious. He suggests he made it quite clear to Howard that he was seriously considering moving on following the government's defeat.

If Costello's version of their conversation is accurate, it makes Howard's concession speech endorsement of Costello disingenuous. Only two people know what was really said that night. Readers will be able to judge the respective versions when Howard publishes his memoirs.

Reading Costello's book reminds me of everything there is to like and loathe about the man who lit up question time for so many years. He expresses firm ideas on a wide variety of issues while at the same time taking the high



moral ground on too many occasions. He is hard to disagree with when he makes statements of fact; such as the sound economic management he presided over or the value of the GST in Australia's reformed taxation system.

But when Costello descends into discussions on the leadership issue and the claims of a handover deal with Howard, he overextends and interprets events beyond the evidence. At one level this is understandable: it was his career that was directly hampered by Howard's refusal to stand aside. But "the deal", as it has come to be known, between Howard and Costello for a transition after 1½ terms was more of a loose understanding, which one man placed greater stock in than the other.

The canner of the two knew there was enough wiggle room to reinterpret the terms of the conversation. And it occurred before a transition from Alexander Downer to Howard had been agreed on.

This point is important but it is paid scant regard by Costello in his memoirs. He simply relies on the fact that Ian McLachlan agrees with his version of events. For Costello to look back on those terms as set in stone is surprisingly naive for someone who has made a career out of politics.

Costello's tendency to overreach on the terms of arrangements is evidenced by another event outlined in the book.

Recounting one of the meetings between Howard, Downer and Costello ahead of the 1995 leadership transition, he writes that the three agreed Downer would stand aside and in return would be made shadow minister for foreign affairs and then minister for foreign affairs in a Howard government. That is what happened, and I don't doubt the loose understanding followed such a script.

But when I interviewed Howard and Downer for *John Winston Howard*, both denied such a deal existed. Costello's interpretation of certainty in political conversations is closer to what most of us would like to believe life is like. But Downer and Howard knew better, and so should Costello.

The newspaper syndication of the memoirs focused on Costello's cheap political point-scoring, from his views on Howard's wife Janette to Tony Abbott's initial suggestion he would push Howard if he didn't leave voluntarily in the fourth term. It gave prospective readers the misguided interpretation the book is top heavy with negative accounts. It isn't. For the most part Costello is gracious about his colleagues and positive about the achievements of the government, always sure to remind readers how central he was to that success.

But negative quips are sprinkled throughout

the text, indicating that Costello feels underfilled for not having risen to the leadership. One early example involves his analysis of the 2007 election. He notes that if only the national swing against the Liberal Party (5.5 per cent) could have been contained to the swing against him in his seat of Higgins (1.7 per cent), the Coalition would have retained government. This is a ridiculous observation, coated with the insinuation that he might have been able to save the government if he had been responsible for the national campaign.

If Costello wants to play such games he should note that if at the 1996 election Howard had only secured the same size swing to the Liberals nationally that Costello did in Higgins (1.4 per cent), they never would have won government in the first place.

Despite his somewhat bitter observations over the leadership, Costello was right to call for a smooth transition during the government's third and fourth terms, particularly the fourth. His argument that it was not weakness but rather loyalty that prevented him striking for the leadership is convincingly put. I was surprised that his writing on this subject won me over. He didn't strike against Howard because he believed loyalty to the Liberal brand was a guiding principle of public office.

The conversations Costello and Howard had over the leadership are well documented in the memoirs. Whether Howard agrees with Costello's retelling of them will become clearer as the history of their partnership continues to be written and published in the years ahead.

Readers expecting the book to be a conservative version of *The Latham Diaries* will be disappointed. In overall terms it is a worthwhile read and provides a strong justification of Costello's role in the government. For the most part he attempts to detail the life of a long-serving (or suffering) treasurer, interposing his thoughts on subjects outside his portfolio responsibilities.

I got a very good sense of what it must be like to control the nation's purse strings at the same time as trying to manage electoral victories against an Opposition fighting against large parts of your legislative agenda.

Costello has spent much of his career attacking state Labor governments. After reading his memoirs I can see why. He had to battle tooth and nail against the federal Labor Party to win an election fought on the issue of the GST, and then the 1998-2001 term of government was dominated by Labor attacks against the implementation of the new tax.

It was a tax that went straight into the coffers of state governments, overwhelmingly Labor governments by that time. But most refused to



abolish the indirect taxes as Costello had demanded in return for GST revenue. Despite the revenue windfall the quality of state

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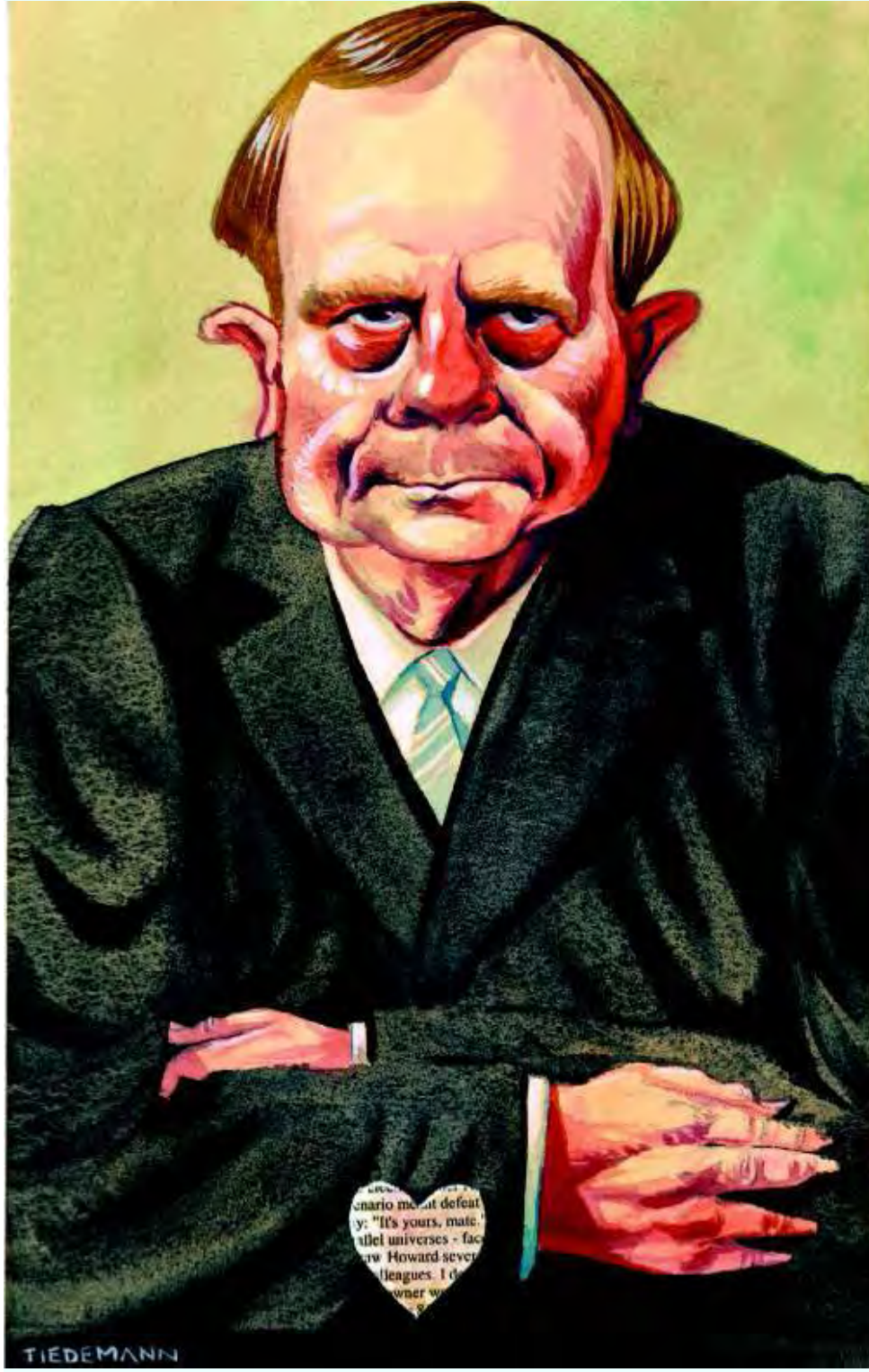


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government service delivery diminished in the ensuing years. When the Howard government began to be increasingly blamed for state government responsibilities, Costello became incensed. It was a decidedly human reaction, well captured in this book.

For those who enjoy relating historical observations to the present day, there are plenty of fascinating moments captured by Costello's memoirs. In the second chapter he throws a barb Rudd's way by referring to the way politicians often overstate their past hardships to connect with mainstream voters. The attack could equally have been directed at Turnbull, whose first speech as Liberal leader overcooked his underprivileged background growing up in rented accommodation.

In the same chapter Costello laments that his long period as treasurer led him to lose respect for the role of the Senate, as it stifled the government's legislative agenda. While as an outsider I don't agree with his attitude towards the Senate, it is an understandable position for someone who worked hard to craft legislation that was ultimately rejected or substantially amended. With this in mind it would be interesting to know if Costello would have acted differently to Nelson with respect to blocking Rudd's taxes on alcopops and luxury cars.

At the halfway point of the book Costello notes that Kim Beazley was an excellent parliamentary debater, despite the media's negative reporting of his verbose language. He describes Beazley as ascendant "in the

wrong electoral cycle".

The same could easily be said of Costello, the reason perhaps he chose to move to the backbench but is yet to confirm his certain departure from the parliament.

At his National Press Club speech in Canberra on September 16, Costello joked that his memoirs might represent "volume one", implying there could be more to come in his political career. That is a view I subscribe to, but it is not backed up by this book. There is a final chapter about the way forward, for both the Liberal Party and the nation, titled Unfinished Business. The prose reads more like a dispassionate observer than someone eager to re-enter the fray.

The Costello Memoirs is an enjoyable read for anyone interested in contemporary politics in Australia. Although the text jumps around and is occasionally repetitive as a consequence, the themes explored give the reader a good insight into the thinking of the nation's longest serving treasurer on a wide variety of topics.

Costello has been a substantial figure in public life, and his memoirs are an equally substantial contribution to first-hand political history. They neatly sit alongside volumes such as Neal Blewett's *A Cabinet Diary: A Personal Record of the First Keating Government 1991-93* (1999) and the more mischievous Paul Hasluck's *The Chance of Politics* (1997), which was published after his death. *



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