

Tuesday, 22 June 2010

CLOCK IS TICKING ON KEN HENRY

Ken Henry seems to find the role of Secretary of the Treasury too constraining, and now is the time for him to offer his resignation, according to John Roskam, Executive Director of Australia's most influential think tank, the Institute of Public Affairs.

"Ken Henry has been a dedicated and hard working public servant over many decades. But unfortunately Dr Henry has now crossed the line.

"Just as some national leaders have a political shelf-life, Ken Henry has passed his use-by date. His advice has become erratic and error ridden. He seems more interested in partisan politics than rigorous policy analysis."

Mr Roskam rejected Dr Henry's comments, reported in the media today, that economists should "put down their weapons and join a consensus" and support the government's policies.

"Dr Henry wants to shut down public debate. According to him, the mining tax and the emissions trading scheme - ideas dreamt up by Canberra bureaucrats - are now off limits to public debate and scrutiny," said Mr Roskam.

Dr Henry's statement yesterday comes on top of a series of serious errors and manipulations made by the Department of Treasury which have been exposed by the Institute of Public Affairs:

- Treasury's modeling of the Emissions Trading Scheme assumed that there would be no jobs lost, assumed that every other country would have the same scheme as us, and assumed that there would be no change in interest rates.
- Treasury invented a dodgy graph in the Budget Papers in order to claim that big stimulus packages work – which excluded countries which didn't fit their argument. Treasury has since admitted they selected unrepresentative data.
- Treasury has been ignoring the real tax rates the mining industry pays by relying on an out-of-date academic paper from a PhD student and his Professor. The paper's authors agree with the Institute of Public Affairs analysis, not Ken Henry's Treasury Department.

Ken Henry was reported commenting that this sort of scrutiny was "unbelievably frustrating, incredibly frustrating" for "governments ... who are seeking to get ideas legislated".

"Ken Henry doesn't have a monopoly on good ideas and policy. His comments show he is out of touch and has lost perspective on his role. Ken Henry's best days are past him and like political leaders whose time has come, it's time for Ken Henry to move on from public service," said Mr Roskam.

For more information and comment:

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