PARLIAMENTARY POWER, POLITICS, AND POLITICAL ECONOMY

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We are two feminist political economists who currently work in our federal parliament and have previously worked in the more analytical spaces of universities and think tanks. In both spheres we have aimed to better understand the power relations within which we all live, and – most importantly – attempt to change them. For us (one a senator and the other a senior parliamentary advisor), the tools of political economy are important and useful. They allow us to deconstruct events and the power relations in which they are embedded, and to guide political action and priorities.

Over the past few years, we have turned from the work of research and analysis to the practical challenges of the parliamentary sphere. Parliament is not always seen by progressive analysts as a priority frontier for change making. We are often reminded of the 1970s postcard of a crowd of banner-waving revolutionaries, the words below saying: 'show me the parliamentary road to socialism!' The parliament – dominated by the two big parties – has rarely been a place of radical change in Australia. However, with a third of Australians now using their votes to express their dissatisfaction with the politics of the two major parties, possibilities exist.

For us, the power relations that shape political outcomes continue to lie well beyond the manicured courtyards and long corridors of Australia's parliament. They lie in the boardrooms of very large firms and in the hands of the billionaires who control them. Parliament provides a front row seat to the battleground as vested interests flex their muscle.

Their opposition lies, at least in part, in social movements like the labour, environmental, and women's movements which can create momentum for

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political change - including through parliaments, along with radical leaders who hold up the possibility of change, whether inside the parliament or outside it. In this space there is a crucial role for political economists – both informing and as part of social movements – to apply the tools for understanding who is winning, why, and how. Without social movements, parliamentary change is extremely hard to secure. None of these social movements are at their political zenith at present. The space they create for political change is small, and radical political parties, similarly.

We are at a time where new challenges are growing in significance: the erosion of independent media; growth in algorithmic and dishonest social media; the rise of the right; and the massive aggregation of autocratic power in many countries. It is a critical point of reflection for people on the left to better understand what has and hasn't worked and how we can be effective in contributing to improving the lives of people.

Amid all that, here we are, two feminist political economists who are applying the lessons and lenses of political economy to the parliamentary sphere. In this article, we draw examples from our recent experiences to explore how mainstream economics is wielded by the right and how political economy can provide an antidote to assist the left. We present a substantial examination of the power and actions of big consultants. These experiences illustrate how power and influence is often exercised contrary to the public interest and show something of the limits, possibilities and lessons of parliamentary work in the current political context. Finally, we turn to the lessons we draw for the future.

All economics is political

Stillwell *et al.* (2022:5) write that one of the unifying characteristics of political economy is its critique of orthodoxy. We would add that one of the most important critiques, in the parliamentary sphere, is to treat mainstream economics as inherently political. Economic theory in and of itself has never been free from prejudice but, in the realm of politicians, media, stakeholders, and legislative decision making, it is often used as a tool for political purposes, particularly by lending credibility to political agendas while masquerading as value-free.

Economic theory has evolved alongside a changing economy, politics, real world problems, and conflicts. Theory and models are historically contingent and are built upon assumptions, informed by ideology, and lead to (and that contain) inherent conclusions about how the economy should function. Just think of the implications of assuming free competitive markets exist and create the conditions for supply and demand to efficiently allocate resources. It is a ‘logic’ that precipitates a hands-off role for governments and a belief that the private sector can do no wrong.

Mainstream economics is often treated as an objective science, producing advice independent of value judgements. The advice of mainstream economists holds weight, and they are often called upon to provide evidence, advice and predictions by governments, politicians, and the media. This creates opportunity for economic theory, arguments and language to be wielded to justify and defend political agendas and/or mask vested interests. The policy solutions born of these conditions are rarely able to tackle the issues they purport to solve; and it is often disadvantaged people that are most adversely affected. Political economy offers us a critique of mainstream arguments and their masking functions; and it gives us a counter narrative.

Many examples are regularly evident in our federal parliament. Take for example, a recent inquiry into housing finance and home ownership in which we participated. Of course, housing is a particularly contentious issue in current politics. All sides of politics agree that there is a housing crisis and that this is a wicked policy problem with high political stakes and huge household consequences. Engagement in the debate is almost always political. Largely for this reason, policy solutions that would tackle the root cause of house price growth over recent decades – namely negative gearing and capital gains tax discount reform – are, for the major parties, off the table. The calculation by the major parties is that politically viable solutions must be found elsewhere.

The Coalition used a recent inquiry to gather evidence and test messaging for a politically palatable solution that didn’t rock the actual boat but that could be presented as a ‘real’ solution for first home buyers. The focus was on lowering the serviceability buffer[1] for first home buyers so they could borrow more, incidentally increasing their risk of loan difficulty if rates rise. Senator Bragg (2024a) claimed that these ‘reforms to prudential regulation will be a solution for many Millennials and Generation Zs

[1] The serviceability buffer is a safety net in assessing loan eligibility that ensures capacity for repayment if interest rates rise. It is an additional interest rate set above the loan rate and is set by APRA.

missing out on the Australian dream.' It is one thing for a politician to say this publicly but another when it is backed in by an economist. Dominant public discourse puts a premium on mainstream economics and its advocates' pronouncements, such that we trust the advice of bank economists while somehow forgetting they have a stake in the outcome they are defending. Big banks, including NAB, as well as mortgage brokers and industry bodies made the case to the Senate committee that reducing the serviceability buffer would improve access to housing, particularly for first home buyers (Parliament of Australia 2024a). This was widely reported and the arguments of these handful of stakeholders were used, particularly by the Liberals, to claim the evidence was clear that 'the blunt 3% serviceability buffer is damaging first home ownership' (Bragg 2024b).

What is conveniently forgotten is the profit that these stakeholders stand to gain from expanding eligibility to housing credit. One of the first lines of critique in political economy is asking the question 'who benefits and how?' We gathered other stakeholders and evidence during this Senate inquiry to expose the vested interests of banks in supporting the Liberals' proposed housing affordability solution. Mortgages make up around 70% of major banks' asset base (Parliament of Australia 2024: 28). Expanding the pool of people to whom they can lend not only bolsters their bottom line, but increasing demand for housing without a commensurate supply drives up prices, resulting in all home buyers having to borrow more from banks. The outcome is win/win for banks, other lenders, and mortgage brokers. But for home-buyers? Expanding eligibility for housing credit (and thus feeding demand) in a supply-constrained environment has the effect of pushing up house prices, making it even harder for disadvantaged borrowers who the policy is supposedly helping – first home buyers.

Political economy as the antidote

Unlike mainstream economists, political economists take a pluralist and multidisciplinary approach to understanding the economy. This makes them well placed to help understand and solve the persistent policy challenges of our time, many of which cut across multiple intersecting policy areas. In the realm of parliament, political economy gives us alternatives to abstract economic theorising devoid of social and historical context. It gives us theory, history, and language to better understand complex and unpredictable economic systems, and the capacity to analyse power and ethics. For example, the epidemic of domestic violence cannot be properly addressed just by closing loopholes for financial abuse or better training the police force. The material bases of gender inequality, including housing and jobs, must be rectified for real progress along with the cultural constructions of masculinity and their institutional manifestations.

A critical contribution of political economy that sets it apart from mainstream economics is the focus on analysing power, without which we could not understand the historical and entrenched inequality that exists everywhere in the world. Theory that connects ownership and wealth with the concentration of power and its influence over political decision is particularly useful in the parliamentary sphere because it enables understanding of policy, politics, outcomes and the distribution of resources.

The tools of political economy are especially relevant when working on issues of workplace relations – the age-old battle ground of labour and capital. We had ample opportunity to observe this during 2022-24 as Labor brought three significant tranches of workplace relations reform before Parliament. These omnibus bills reformed multi-employer bargaining, labour hire processes, a pathway for casuals to permanency, and better protections for gig workers.

The Greens secured several improvements for workers and unions as we negotiated the passage of these bills. The most significant of these was developing, negotiating, and passing a 'right to disconnect' for Australian workers (Parliament of Australia 2023b). In theory, legislating the right to disconnect should have been easy. Opposing the right to disconnect is, in effect, tantamount to expecting people to work for free – whenever and wherever their employers request it, flying in the face of basic Fair Work principles and laws. Most Australian employees stood to benefit from the introduction of a right to disconnect; and 84% of Australian workers expressed support for it (Littleton and Raynes 2022). Unions had been campaigning and negotiating for the right to disconnect for a while, with some success. The Police Association of Victoria won a right to disconnect in 2019, the Queensland teachers in 2022, and the Financial Sector Union for some of its members in 2023 (FWC 2020; QIRC 2022; FWC 2023).

The right to disconnect was passed into law by the Parliament in February 2024, but not without fierce resistance from employer groups, businessaligned politicians and lobby groups who campaigned vigorously, saying that a right to disconnect would be impossible to manage, sink small businesses, and harm workers. Dozens of business lobbyists worked the halls of Parliament House throughout negotiations, attempting to influence the bill out of public view.

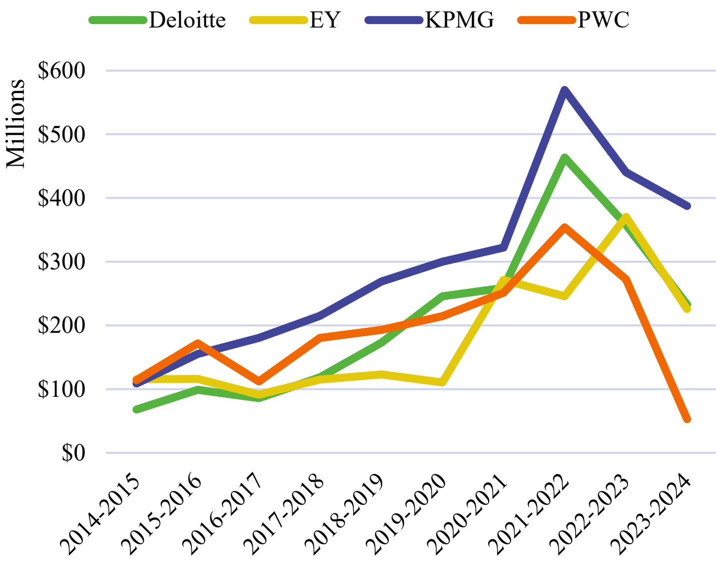
Unsurprisingly, there is often a stark difference in the access of lobbyists from large cashed-up groups and those from unions or community organisations. Powerful and profitable industries and businesses often have more access to politicians and attract skilled and experienced lobbyists with attractive salaries. They have the right numbers to call, understand the cycles of parliament, know when and where to apply pressure, and have the capacity to wage effective negative public campaigns. The Senate is all about numbers – 39 to pass something and 38 to oppose it. This is where lobbyists work their magic. In February 2023, that meant Labor, the Greens and two crossbenchers could pass legislation. The crossbench was thus a target of vigorous lobbying.

Negotiating is rarely based on evidence and logic but around interests and who has the most leverage and what they are willing to lose. Understanding power and how it is used in parliament is crucial to the strategies employed to achieve positive outcomes. Through these negotiations, the right to disconnect underwent many iterations to arrive at its final winnable shape. Finally, however, our amendment was passed, after a lot of overtime, discussions, and around 40 drafts. This reform gives workers the right to reduce unreasonable contact from their boss unless in an emergency or they are paid for it. While modest and aggressively resisted, it was welcomed and well understood by many Australian workers.

Politics, economics and the Big Four: state capture in motion

Another powerful influence on public policy is the role played by the Big Four consulting firms: EY, Deloitte, KPMG, and PwC. Fly into any big city in the world, and their office towers are likely to dominate the skyline of the financial district, now eclipsing the big banks, and commonly providing key economic advice to government and country. They are among the planet's primary architects of neoliberalism, pushing the expansion of markets, opposing and shaping regulation, protecting large corporations, minimising the tax they pay, and capitalising upon every opportunity to privatise public services and assets. These are all observable trends in Australia over the past 25 years. Figure 1 shows the massive public expenditure going to each of the Big Four

Figure 1: Value of Australian government contracts and amendments awarded to the Big Four consultancies



Source: Based on AusTender data, extracted in December 2024.

The Big Four have rapidly expanded into all aspects of public administration and many corners of private corporations. They have also expanded their business across the private sector, rapidly growing their consultancy activities alongside more traditional – and often less profitable – activities like audit and tax advice. By 2022, at the peak of the outsourcing era in Australia, the Morrison government spent $20.8 billion on external labour and consulting contracts. This sum could have employed more than 179,000 full-time public servants (calculations based on Australian Government, 2023). Instead, governments made the decision to bankroll their friends in the private sector. During this time, the Big Four dominated the field of government contracts. Over the decade to 2023-24, they received $8.7 billion in contracts from the Australian government (Parliament of Australia 2024c:38), making it amongst the highest spenders on consultants in the world (Grigg *et al.* 2023).

This diversion of public resources was assisted by staff caps on the number of public servants, which commenced under John Howard and dug even deeper under Tony Abbott and Scott Morrison. Consultancy spending also grew under Labor Governments like that of Kevin Rudd. It was no doubt also assisted by what has been revealed as a 'mates club': a dense web of personal relationships between politicians, Big Four partners and some senior public servants and regulators – sometimes on quick rotation across these institutions. Government departments hamstrung by staffing caps outsourced core public sector work to private contractors; and the Big Four heavily dominated at this very profitable trough.

The consequences are vast. Political economic analysis of the influence of neoliberalism on our public institutions has revealed the high cost of outsourcing work to the private sector because of excessive profit margins, the creation of opportunity for conflicts of interest, and a lack of accountability to the public interest. Because they related to our portfolios of Finance, Public Sector and Employment, these issues were much on our radar early in the parliamentary term. What we didn't know then was the scale and reach of the damage.

In late January 2023, *Australian Financial Review* journalist Neil Chenoweth published a story about the Tax Practitioners Board (TPB), which had recently deregistered a tax adviser at PwC (Chenoweth 2023). Despite all the regulatory frameworks in place to enforce the rules around tax and audit services, and the enormous size and powers of the Australian Tax Office, the tiny and little-known regulator, the TPB (which regulates the tax agents in Australia), brought this long-brewing scandal into the open. It turned out to be 'the little engine that could' after a long period in which PwC partner Peter Collins' breaches were known within the public service but not acted upon.

As the PwC scandal took hold around the world, Mariana Mazzucato and Rosie Collington's book, *The Big Con,* was published, shedding light on the global phenomenon of government capture by big consulting firms around the world, distorting the provision of public services. The

Australian experience was about to cast that account into shade with example after example of systemic failures.

In this context, we pushed to establish a Senate inquiry to look, not just at the behaviour of PwC, but at broader consultancy related issues including the impact of outsourcing on the public service. Our first proposal of the inquiry was met with initial resistance from the major parties, some of whose members claimed that 'we already knew it all', that it had all been done before, that whistle-blowers would not come forward, and that everyone – including public sector unions – were 'too busy' for such a project. We were not convinced and pushed on until, on 9 March 2023, the Greens' motion to set up the inquiry was passed in the Senate (Parliament of Australia 2023a: 1). Subsequent hearings excavated a cascade of appalling behaviour and cover-ups. The initial probes concerned the actions of PwC partner, Peter Collins, between 2013 and 2016. Mr Collins received and shared confidential information from the Treasury in relation to forthcoming anti-avoidance tax laws. Despite having signed multiple confidentiality agreements as part of consultations on draft legislation, Mr Collins deliberately shared this confidential information with PwC partners and clients – with the goal of generating income by assisting them to work around these new laws.

While the PwC tax leaks issue was the 'gateway scandal' to larger revelations about the Big Four ways and means of work, culture and coverup, it proved far from the most significant failure. Indeed, a concentric circle of unacceptable behaviours widens out from the initial PwC 'bad apple' scenario – particularly implicating KPMG, Deloitte and EY – to the way Australian governments use consultants.

There are many examples. In 2020, EY was employed by the Climate Change Authority to advise on carbon market schemes policy. Its final report concluded that Verra and Gold Standard were 'the leading international offset schemes for governance'. However, EY had previously done unpaid work for Verra and Gold Standard, which was undeclared to the Authority as a potential conflict of interest because they did not see it as such (EY 2023a: 23). So, EY was contracted by the Federal Government to do work on climate policy while simultaneously working for the fossil fuel industry. The firm, which is a member of the oil and gas lobby and audits Santos, insists that there is no conflict of interest between its work for industry and government (Belot 2024). This practice is called walking 'both sides of the street': giving advice to governments on issues including regulation, while also advising private clients on the same topics. Big consulting firms defend these perceived and actual conflicts with talk of 'sterile corridors', the purported independence of consulting firms' analysis, and their capacity to maintain separation between the work they do for public and private clients. The weakness of ethical principles when pitted against the powerful possibility of large profits is repetitively exposed in these accounts – especially when they are embedded in personalised reward systems and organisational cultures.

Further, any perception that consulting firms deliver value for money for governments is undermined by this large body of evidence, riddled with examples of consulting firms being frequently subject to overruns and under-delivery, along with very costly procurement disasters. Insider sources indicated to us that profit margins on consulting contracts can be as high as 50-60%, when the same work could be done at a much lower price by the public service.[2] While there may be a legitimate need for governments to seek external advice in some situations, consulting firms are too often 'opinions for hire', providing clients the answers that they want, or – in the famous joke – ask for your watch in order to tell you the time (Wooton 2022).

Political conservatives and partners at consulting firms have relied on orthodox narratives and language to justify the move to and maintenance of this status quo – the heart of which is framing the state and public service as inferior to the efficiency of the private sector. The power of these narratives puts the profit motive front and centre and well ahead of serving the community's interests – a job which, on paper at least, public service is specifically designed to do.

This sad chronicle is of little surprise when you consider the economic power that the Big Four consulting firms wield. Between them, these firms earned more than $11 billion in revenue in FY23 and account for 70% of total revenue earned by the top 100 accounting firms in Australia (Tadros 2023). The Federal Government has been a major contributor to the Big Four's bottom lines. Until recently, government contracts made up around 25% of total revenue at the Big Four every year (Deloitte 2023: 17, 28-9, 30; EY 2023b: 4; KPMG 2023: 2-3; PwC 2023: 3).

[2] Unnamed whistleblower with extensive contract management experience who provided evidence directly to Senator Barbara Pocock.

While the economic power of the Big Four consulting firms is clear, the Senate Inquiry revealed the opportunities used and created by these firms to shape the terrain of policy and service provision in their favour. The extraordinary expansion of consultants into our public sector over recent years has had dire consequences: it has gifted billions to the Big Four while cannibalising funding for essential public services. It has also given a great deal of power to small numbers of influential people, mostly men, who have assiduously and deliberately farmed a tight network of close relationships for personal benefit, across the big end of town and into governments and regulatory bodies. In too many places, a very profitable network is evident, circulating through revolving doors that spin across the sector. This involves broader processes for wielding power that in turn generate income streams.

Prosecuting an inquiry into the consulting sector is a worthy and revelatory project in almost every country for those who want to understand power and politics. It requires all the tools, lenses, and insights made available by political economy, including historical research and critical theories to understand and question political, economic and media narratives. Such analysis also requires scepticism of powerful people, political strategies, persistent investigation, and solutions that disrupt existing power relations. The task is enormous, considering the economic power held by these firms, but that power makes this invisible work all the more important.

Revolving door

The revolving door is one way in which consulting firms seek to influence government, especially in respect of procurement decisions and the outsourcing of work (Schmulow 2023). Consulting firms strategically recruit ex-politicians and public servants, while ex-employees of consulting firms also move across to work in the public service or institutions (Gearin and Nilsson 2024). This revolving door is not limited to upper management either. KPMG has hired almost 100 people who previously worked at the Department of Defence over last five years to 2024. Defence is KPMG’s largest government client, giving them a staggering $1.8 billion in government work over the past decade. This relationship led to KPMG doing work for Defence that was ultimately not needed and billing for work not done (Griggs *et al.* 2023).

The revolving door has many perks for consulting firms, including enabling influence over regulation or the representation of their interests in the public service. It also assists with building up insider information which helps them win contracts and maintain close relationships.

Power mapping and 'land and expand'

Consulting firms leverage the insider information and relationships by means of what is termed 'power mapping'. A power map or relationship map is a systematic qualitative assessment about the strengths of relationships with people in useful positions, and their capability to be farmed for future contractual work. Such maps allow private consultants to map who within government departments should be targeted to win more work (Stefano 2023).

The existence of power maps is regularly denied by the Big Four. In evidence to the Senate Inquiry, for example, KPMG denied using power maps but, when evidence of such maps was placed before them in relation to Transport for NSW, they firstly quibbled about the definition of power maps and then had to concede that their practices clearly illustrate careful relationship mapping (Parliament of Australia 2024b: 61-3).

Further, once big consulting firms have contracts, they employ 'land-and-expand' strategies, whereby a firm acquires new customers by landing a small contract or a 'loss-leading' reduced cost contract which then generates further work or expands the contract over time. This is a lucrative strategy with very wide 'back end' profit margins.

For example, at least $444 million worth of work was tacked on to existing government contracts with Australia's top consulting firms in FY21-2022, adding 25% in billings or $1.2 million a day more (Mizen 2023). These extensions are not transparent, and they are extremely lucrative 'sweet money'. Sadly, they are both common and poorly managed.

Regulatory capture

Along with utilising opportunities to gain and expand contracts with governments, the Big Four work hard to influence regulatory decisions to protect their business models. They are large enough to do so, and to affect regulators' stances and vigour. Their dense web of personal relationships also enables the exercise of soft, personal power which is far from trivial in its effects – in winning contracts, creating profitable opportunities and 'managing' regulation or penalties.

Regulatory capture is obvious in many aspects of this story. The interests of big consulting firms are too often represented on and around the regulatory bodies and departments that affect their operation. This capture is so obvious as to be almost comical. However, it is still a common practice which sadly works all too often.

For example, recent parliamentary inquiries revealed that two former PwC partners, still in receipt of income from the firm, were sitting on the Tax Practitioners Board as the TPB was considering Peter Collins misdemeanours. While they usually declared an interest, they did not do so in all meetings where the issues were discussed. Of course, the *perception* of a conflict of interest should be enough to ensure an end to this practice, but what was found was worse. At the inquiry hearing on 9 February 2024, Mr Peter de Cure, Chair of the TPB, confirmed that two former PwC partners attended a meeting between the ATO and TPB on 1 September 2021 where a discussion about the TPB's investigation into PwC took place. They did not recuse themselves (Parliament of Australia 2024b: 143).

The inquiry gathered further evidence suggestive of inter-agency push back against the TPB's investigation into PwC's tax leaks scandal, including from the ATO's senior leadership, and within the TPB. As a consequence, on 15 November 2023, the Greens moved and the Senate passed an amendment prohibiting partners from large firms with active financial interests in the firms under regulation from being appointed to the TPB. That such a simple, clear measure to eliminate perceived or actual conflict of interest on the Board was vigorously resisted by some professional bodies illustrates the value they place on their vested interest and their aggressive assertion of it against the community's interest in good governance.

Political donations

The power of large financial interests in our political economy is, of course, also expressed in the direct payment of money to political parties. Consulting firms, especially the Big Four, use donations to gain access to decision makers, secure favours, and wield undue influence over political and tendering decisions.

Over the past decade, the Big Four consulting firms have donated over $6.6 million to the ALP and Coalition and received a staggering $8.7 billion in government contracts, over the same period (Parliament of Australia 2024c: 38). It is no surprise that the Australian Government has become amongst the highest spenders on consultants in the world (Griggs *et al.* 2023).

Research by the Centre for Public Integrity (2024) found that donors to political parties were 2.49 times more likely to win procurement contracts than non-donors. They argue donations by the Big Four are 'unrelated to any ideological goal or end sought but are rather focused on currying favour with whoever may be in power and warned that they left the major parties vulnerable to corruption in the form of clientelism, whereby patron-client relations emerge, and political support is exchanged for privileged access to public goods' (Centre for Public Integrity 2023: 52).

In relation to political donations by consulting firms, Professor Allan Fels told the committee 'they're an investment to get a return and that makes us very worried about them' (Fels 2023: 7). There is widespread support in the community for the view that allowing political donations by entities also bidding for government contracts creates unavoidable conflicts of interest. This practice is also anti-competitive, especially in relation to small and medium sized consultants and service providers.

What have we learned?

The Senate Inquiry ended up being 14-months long with 10 days of hearings, hundreds of submissions, and the involvement of many insiders and whistleblowers about their experiences. In fact, because there were so many issues to canvas when it came to the consulting sector, a second related inquiry was set up focused on structural reform in the sector by the Parliamentary Joint Committee on Corporations and Financial Services.

These inquiries into big consultants point to the continuing power of these very large firms and their influence in the parliament amongst the main parties. They reinforce their significant economic power with the acute, effective construction, and harvesting of relational power. They remain architects of neoliberalism and the promulgation of its market, profit and privatisation tenets. They aggressively harvest the public sector for its opportunities, whether for the profit of their corporate clients or their own contractual income – which has formed a large part of their business model in Australia over the last decade. Whistle-blowers from within their walls describe the Big Four's current strategy as 'waiting out' overzealous senators and journalists before – they hope – a return to rewarding public contracting. Under a Coalition government, of course, their hopes would be more likely to be realised.

The Big Four's championing of neoliberal corporate strategy makes them powerful actors in our political economy. Their current crisis management strategy, they hope, offers them a way forward. They have claimed that: any bad behaviour is all in the past; there were just a few rotten apples/we've sacked the sinners; our new ethical protocol puts it all behind us; profit no longer drives us/we have a new culture; and, finally, we are sorry, and it won't happen again. Amongst the public's favourite claims, perhaps, is that of Mr Luke Sayers, CEO of PwC throughout the years of Mr Collins' misdemeanours, who claims yes, he was there, and yes, he was paid $30 million over the period, but no, he did not see a thing. He continues to claim he has nothing to answer for in relation to the PwC debacle that unfolded on his well-paid watch.

These captains of industry have, however, been bruised. Their income has fallen by over $500 million in 2023-24 and will remain lower than their heyday for a while to come (Australian Government 2024). Their social licence and reputations have been damaged. However, it is very possible this trend could be reversed by a future government. For instance, prior to the 2025 Federal Election, former Coalition leader, Peter Dutton, spruiked a very large cut in the size of the public service, which would have inevitably resulted in massive growth in an expensive external consulting workforce (Dutton 2025).

Several factors were in place to enable this important parliamentary excavation of the Big Four and their ways of working: dogged and skilled investigative journalists (particularly Neil Chenowth and Edmund Tadros); the cooperation of Senators who worked together to pursue misinformation, coverup and the absence of ethics; whistle-blowers who – with very poor protection – took great risks to bring evidence forward; a number of public employees including regulators who (sometimes also at great risk) brought forward evidence. All of these elements have been critical to previous significant investigations of corrupt behaviour in

Australia, whether by the big banks, the Catholic Church, Robodebt officials and ministers, and so on.

In every one of these cases, despite extraordinary efforts, expense and risk taking, the consequences for those holding power have been slight and inadequate. In some cases, some institutional cost has been exacted, but rarely do individuals pay a price. In this way, big firms and their leaders live to fight and profit from another day. Each of these episodes provides lessons for political economy: follow the trail of financial benefit, map relationships of power, fight for effective regulation and regulators, make penalties personal. There is no doubt in our minds that state capture is a growing phenomenon, and a healthy democracy relies on its diagnosis and remediation.

Our country is witnessing extraordinary concentrations of capital accumulation which begets concentration of economic power, which is finding extraordinary political influence. For probing these concerns, political economy provided us with diagnostic tools – where to look and how to apply a historical lens to see structural trends in capitalism and neoliberalism. Moreover, it also pushes us to develop structural and systemic solutions – for example to break up the Big Four by separating audit activities from consulting, to regulate their size and structure, to limit their voracious reach into public work and more (Australian Greens 2024).

Power, politics and parliament: Possibilities?

Our personal experience in parliament challenges our natural optimism. It points to a model of power where the parliament itself sits well below those who, holding real power, pull its strongest strings: bankers and financiers, resource companies, leaders of very large consulting firms, defence contractors, professional advocacy organisations and lobbyists, and captured public servants and regulators. While there are a lot of them, these powerful, mostly corporate, interests represent a level of power that is smaller in number than the level below them of elected parliaments. They are the pointy top end of a triangular power structure, with parliaments sitting in a middle layer beneath them and in their strong sway.

It too often seems, as Frank Zappa once put it, that ‘politics is the entertainment division of the military industrial complex’.

Beyond and below all of these – the powerful string-pullers and the parliamentary theatre of politics – lie the voters and civil society. It is no surprise that increasing numbers are cynical about the whole show. On so many issues, voters are more supportive of positive, progressive, practical change than those they have elected: take for example, media ownership, gambling advertising, abortion, quality universal health and aged care. Many such voters get on with putting busy lives together hoping, at least, for minimal parliamentary damage to their efforts. This three-level triangular model of power is simple but accurate in our experience.

If great ideas were all it took to fix the current state of Australia, we would not face the existential threat of climate change. We would not have extreme inequality in the distribution of wealth and income, particularly in housing, health care and education. We would not be facing the first intergenerational declines in standard of living.

Great ideas matter, but they are far from all it takes. Recent decades have seen the success of the neoliberal project, resulting in enormous concentrations of corporate power which have captured the state, the media, many parts of universities, and repressed critics – whether journalists, whistleblowers, protesters, radical parties or dissident Senators and members of parliament.

For the most part, policy decisions are not made based on the weight of evidence. Instead, decisions are made based on a calculation of who the affected stakeholders are, how much power they have, and how to appease them without triggering a publicly damaging reaction from anyone.

Weak social democratic parties are inadequate to the challenges posed by the extraordinary aggregations of corporate power. There is no such timidity on the side of corporate interests or their parliamentary puppets. Their claims grow more majestic and absurd: they are so often not backed by facts, science or economics. Just take the Coalition's claim that their nuclear plan for Australia is somehow cheaper than a renewable energy approach to meeting the country's energy needs.

Too often in the context of a timid Labor government, we see social movement leaders of the climate, social, and women's movements overly delighted to be consulted by government figures, to get a seat at their table, and to gather the crumbs that fall from it. To join the media conferences and social movement grabs, to win a contract or two, or change a draft bill clause or paragraph here and there. The resulting reforms are marginal, in the face of an extraordinary climate crisis and inequality divides that are huge and grow ever wider.

This is where political economy can be useful. We need analysis that helps us understand this power – who has it, how they use it, who benefits, and whose interests align. We need theory, history, empirical analysis, multi-disciplinary insights – and these tools need to be applied to the economy in its political, cultural, and social context. The understanding cultivated helps inform strategies, whether it is in negotiations, choosing an inquiry to pursue, questioning during estimates, understanding the motivations and decisions of other people, and plotting the path for successful reform.

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