



THE AUSTRALIAN NATIONAL UNIVERSITY

Once was Camelot in Canberra?

Reflections on Public Service Leadership

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LECTURE:

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Lady Wilson, Professor Terrell, distinguished guests. I am honoured indeed to present the Sir Roland Wilson lecture. It is an opportunity for me to pay tribute to the extraordinary achievements of a great public servant and to reflect on the manner in which the Australian Public Service has changed since Sir Roland's time.

Let me begin this lecture with a cartoon. It is, I think, from the *Melbourne Herald*. It is of Sir Roland Wilson as a diminutive Knight in shining armour, at the conclusion of a jousting tournament. He sits firmly in the saddle, lance in hand. Sprawled on the ground, knocked from his horse, lies his opponent. It is Harold Holt, the Federal Treasurer from 1958 to 1966, to whom Sir Roland was Secretary.¹

The message is clear. In the battle for public policy Sir Roland has comprehensively overcome the viewpoint of the Minister he loyally served.

This was not a rare occasion. As Ian Hancock's biographical sketch of Harold Holt reveals, on all important matters the Treasurer "sensibly obeyed his departmental officials, who better understood the fundamentals of his job". So, too, his predecessor as Treasurer, Arthur Fadden, who "relied heavily on the advice of Sir Roland Wilson", although it would appear that he was more willing to exercise independent judgment.²

It is little wonder that Sir Roland was nearly always able to persuade his Treasurer to his way of thinking. A Tasmanian Rhodes Scholar in 1925, with doctorates both from Oxford and the University of Chicago, Wilson was the first professionally trained economist in government service. At only 32, in 1936 he had been appointed Commonwealth Statistician and, in 1940, he had founded and organised the Department of Labour and National Service. That, indeed, was where the young Wilson had initially impressed Harold Holt. Asked by Holt to begin planning for a new Department of Labour, he immediately pulled from his pocket a 'blueprint' of the organisation that he had already anticipated. In 1951 he became the youngest person to be appointed to the position of Secretary to the Treasury.³

Sir Roland, of course, was not the only Knight of his era. While he was generally perceived as the doyen of the public service, other permanent heads sat alongside him at the round table. The most important are remembered still as the Seven Dwarfs: men shortish in stature, humble in origin but towering in intellect who – individually and collectively – shaped the major economic policies of the day. Their Canberra Camelot may to outsiders have appeared small, sleepy and rural and even, to reluctant public service transportees from Melbourne, as remote and cold as Siberia but to many the decades after the Second World War were halcyon days for the Australian Public Service.

The six Knights – Sir Roland, Sir Henry Bland, Sir Allen Brown, Sir John Crawford, Sir Frederick Shedden and Sir Richard Randall – and the Merlin of public economics – Dr ‘Nugget’ Coombs – are seen, through the gentle glow of history, as Secretaries who were strong of character, impeccable of conduct, imperious in the way they wielded significant personal power and (most important) fearless in the manner in which they provided advice to the Ministers they served.⁴

It is true that within and beyond the Parliamentary Triangle their internecine rivalries could on occasion descend into open warfare for “those great men of the postwar public service were also great haters and great players of time-wasting, self-indulgent bureaucratic games”.⁵ By the late 1950s the Department of Trade had begun to challenge the authority of the Treasury on commercial matters and the unrestrained conflicts between Sir Roland and Richard Randall (on the one hand) and Sir John Crawford and Sir Allan Westerman (on the other) were the stuff of Canberra legend.⁶ Sir Roland, it is fair to say, did not readily brook challenges to his policy authority. It was his strong view that “there existed no grounds for creating new sources of public policy, since the Treasury itself evaluated different possibilities”.⁷

Yet the qualities that Sir Roland may on occasion have displayed in bureaucratic battles reflected the same robust character, independence of mind and moral courage that are the hallmarks of his public service leadership. The resoluteness and combativeness that historians have noted in him were driven by genuine concern for the public interest.

As an erstwhile economic historian I am fully persuaded that Sir Roland was not only one of Australia's most distinguished economists of last century but also a great servant of the State. It is as a public servant that I find myself uncomfortable with the use to which that history is put. There is a growing tendency to look back to the Secretaries of the past with nostalgia, finding in them qualities that have failed to withstand the passage of time and which reflect badly on their contemporary incumbents. The past becomes legend, and those who occupy the present are portrayed as unworthy to stand in the shoes of those who have gone before.

Roger Beale, reflecting on his 37 years as a public servant, remarked in his farewell on the current fashion to use the giants of yesterday to criticise their successors – “that today's Secretaries are just a shadow of the postwar greats and that ... we have become a politically supine lot and led our departments down the same path.”⁸

How perceptions change. Traditionally Departmental Secretaries have been seen as “shadowy but influential figures in determining how Australia is governed”.⁹ They have been seen as a powerful elite, a Canberra state apparatus. In the extravagant words of Professor Michael Pusey, “Top public servants are the ‘switchmen’ of history ... when they change their minds the destiny of nations takes a different course.”¹⁰

Yet the leadership of the Australian Public Service, seen so often in the past as dangerous in its ability to wield covert power for political purpose, is now more generally portrayed as acquiescent to the executive government it serves. Kenneth Davidson, writing in the *Melbourne Age*, has argued that the creative tension between Ministers and senior bureaucrats, “put in place by the Chifley Government and nurtured by the Menzies government, has been destroyed”: “Now, when the government says, ‘Jump’, the response of the bureaucracy is ‘How high?’”¹¹

The current view is that “accountability and responsibility Westminster-style no longer exist” and that the public service has been tarnished by “politicisation, intimidation and demoralisation”. The public service, and particularly those who head it, now lack the fearlessness and courage of Sir Roland. Those who lead are, headlines the *Sydney Morning Herald*, “Not so much Public Servants as Government Flunkies”.¹² According to Allan Behm, “the public service has been marginalised, neutered professionally and struck dumb by a Government averse to inconvenient counsel.”¹³ Instead, behind layers of secrecy, has been built a rotten edifice of ‘plausible deniability’, designed to protect Ministers from unpleasant or inconvenient truths.¹⁴

Secrecy, of course, is in the eye of the beholder. It is too often forgotten that a Westminster system depends on expectations of confidentiality. The ability of Sir Roland to give frank and fearless advice to ‘Artie’ Fadden or Harold Holt was dependent upon the fact that he could do so behind closed doors. It remains true today. That is why the leaking of documents is so corrosive to the trust which needs to underpin an effective working relationship between public servant and Minister.

The suggestion today, however, is that there now exists a conspiracy of silence between government and public service. It is alleged that public servants provide to government only the information and advice that it wishes to hear, either because political advisers let through only that which they believe their Ministers want or because it is instructed to do so or because it is implicitly understood – if not explicitly stated – that certain facts or views will not be welcomed. In effect, it is suggested, public service cowardice is hidden behind a cloak of secrecy.

In light of the credence given to variants of this portrayal by journalists eager to expose its machinations, it is worth reminding ourselves that the workings of public service are now far more open than in earlier times. Sir Roland did not have to worry as he drafted advice to Arthur Fadden in 1951 on the need to tackle inflation through a ‘horror budget’ or as he briefed Harold Holt in 1960 on the requirement for a ‘credit squeeze’, that the documents created might be sought under Freedom of Information legislation. Nor did he have to be concerned that the Department of Labour and National Service that he administered would

have its decisions subject to judicial review or face the prospect of investigation by an Ombudsman. Nor, finally, did he face the certainty of detailed questioning on a regular basis before a Parliamentary committee on all aspects of the management of his agencies. Scrutiny of the conduct of public servants, and of their Secretaries, has increased enormously. The behaviour and role of Secretaries is today far more open to examination – and, paradoxically, to criticism – than in the past.

Indeed Australia may be rightly proud of its Westminster tradition but Canberra is far more open to scrutiny than Whitehall. Over the last generation there has been a profound increase in the extent to which public decision-making can be accessed and examined. Appropriately, it is ever harder to hide the workings of officialdom behind a simple appeal to the need for confidentiality.

Let me give three instances. One: Australia has had a Commonwealth Ombudsman since 1976. Last year he investigated more than 6000 complaints, finding on agency deficiencies in 29% of cases. Two: the United Kingdom is only now about to embrace Freedom of Information (FOI): Australia, by contrast, has had legislation since 1982. In the first full year less than 20,000 FOI requests were received. Last year, for the first time, there were more than 40,000 requests. Three: each year tens of thousands of administrative decisions are reviewed through the appeal structures of administrative law (including the Administrative Appeals Tribunal, the Migration Review Tribunal and the Social Security Appeals Tribunal). Judicial review has become an important tool in the protection of individual rights in the face of a vast range of government administrative decision making: the open question is whether the constraints now imposed upon public servants can on occasion unreasonably frustrate the work of government.¹⁵

But those examples are part of a much broader picture of increased scrutiny. The role, capability and independence of the Auditor-General have also increased significantly since Sir Roland's days when the Audit Office was "struggling to catch up with an expansionary government".¹⁶ After some bitter battles about resources and entitlements, both with the executive and with significant sections of the public sector, the Office has now substantially widened its mandate. Its audit function has moved from an emphasis on regulation into areas of efficiency and performance.

Most significantly the passage of the new Auditor-General Act in 1997 made it explicit that the Auditor was appointed as an 'officer of the Parliament', clarifying the nature of the Auditor's independence. Through a partnership role with the Joint Committee on Public Accounts and Audit (JCPAA), Parliament now has a far more substantive involvement in the auditing of public service activities than a generation ago, and the Audit Office has become its principal informant on the financial competence and administrative performance of

public servants. The Auditor, who now has complete discretion in the exercise of his functions and powers, and significantly enhanced resource independence is able (in the words of an earlier Auditor) to act as “a watchdog to help keep officials honest”.¹⁷ And that ‘honesty’ extends not only to providing public assurance that the accounts are being maintained in accordance with regulatory requirements: report after report, more than one a week on average, scrutinise the performance of the APS.

But of all the legislative and administrative reforms, perhaps the single largest change in the last generation has been the increased ability of Parliament directly to interrogate public servants.

A couple of years ago, when Dr Allan Hawke gave the National Press Club a Secretary’s perspective on the Australian Public Service, he contemplated the difference between his role and that of a distinguished predecessor at the Department of Defence. He noted that one key difference was the increased pressure he faced in terms of personal and organisational accountability: “I do not know how often Sir Arthur Tange had the pleasure of attending parliamentary committees ... but I suspect I might have the edge on him”.¹⁸ It is easy to confirm that suspicion.

Max Trenorden, Chair of the Public Accounts Committee in the Legislative Assembly of Western Australia, has had personal experience of the fact that “parallel with changes to improve the accountability of public servants ... we have seen an increasing demand for public servants to appear before parliamentary committees to answer questions and explain or justify their own and the department’s actions”.¹⁹

Perhaps the best instance of this is the decision of the Commonwealth Parliament, soon after Sir Roland’s retirement, to establish a comprehensive Senate committee system to examine in detail the financial estimates of government agencies. For the first time questions could be put to departmental officers on any administrative matters related to their past and future spending of public funds. That ambit was interpreted broadly. The era of the ‘Estimates Committee’ had begun.

The scrutiny of budgetary estimates by the Senate now takes place three times a year. The public hearings have the proven potential to put public servants in the spotlight. Over the last eight years an average of more than 3000 public servants have been required to give evidence, over more than 500 hours, providing copy for well over 6000 pages of *Hansard*.²⁰ And behind each witness sit, I would hazard a conservative guess, some five other public servants ready to lean forward with information to assist their struggling superiors and, behind the scenes, another ten involved in preparing for the hearings or responding to questions taken on notice. It is an exercise that is as costly as it is worthy.

To a casual observer, wandering into the committee rooms from the corridors of power, the process can seem extraordinarily tedious. Even to the participant the provision of information can for long periods be mundane and painfully slow. Somnolence can sometimes overcome those public servants sprawled in the safety of the back rows though, far less rarely, those sitting before the microphone. But tensions can rise, and tempers flare occasionally, when scrutiny is intense on matters of political sensitivity. There can even be moments of theatre: I can remember enlivening one late night session by wheeling in on a trolley all the boxes of material requested at a previous hearing. It was, I now admit, a rather provocative way of symbolising the extraordinary efforts required of public servants to answer all the questions placed on notice.

There are two things that should be emphasised about the Parliamentary questioning of senior public servants. First, that the responsibility of the public service for the use of public funds is being placed under ever-increasing public scrutiny. Although the intensity of estimates varies, in part reflecting the electoral cycle, the trend is clearly upwards. Both the pages of evidence collected and hours of evidence given have significantly risen since the early 1990s. It is my strong impression that the number and complexity of questions taken on notice is also rising. And the role of the Senate Legislation Committees is now only one recurring element in the increased willingness of Parliamentary committees – Senate, Representatives and Joint Statutory; Standing and Select – to call before them public servants to question on a diverse range of public policy matters.

Second, that the scrutiny of public servants is no longer hidden behind a wall of public disinterest in the rather arcane workings of Parliamentary democracy. The media, and in particular the Canberra press gallery, have come to recognise the value of public service testimony as a lead to political stories. And the resources of the gallery now provide for a relentless scrutiny of governance relationships that would have been unthinkable to Sir Roland: when he was appointed Secretary to the Treasury in 1951 there were just 40 members of the Federal Parliamentary Press Gallery, compared to around 300 today²¹.

I have undertaken a quick and by no means comprehensive survey of the newspaper headlines emerging from the last hearing of the estimates committees in May/June 2004. Over two weeks I identified more than fifty stories, ranging from matters of major national and local importance (Iraq, social security debts, university enrolments, banana imports and threats to the independence of the Australian Broadcasting Authority) to more minor matters designed to illustrate the profligacy of public service fat-cats (the fact, for instance, that I hosted dinner for my Cabinet colleagues from the UK, Canada and New Zealand at the Quay restaurant on Sydney Harbour).

The intention of Parliamentary questioning and the interest of the press is often to expose the fallibilities of responsible Ministers. Nevertheless, the fact that the scrutiny has to be conducted through interrogation of the public servant necessarily exposes a great deal about the motivation, competence and fairness of public service decision-making and, in particular, the relationship between public servant and executive government.

This increased scrutiny by Parliamentary committee has been assisted in recent years by a broader range of accountability requirements. The Senate has put in place orders in recent years requiring agencies to report each six months on all contracts entered into worth more than \$100,000 and to list all departmental files created. Since 1985 agencies have been required to gazette any procurement of goods and services, initially over \$1000, now to the value of \$2000. This has provided a rich area for Senators to mine for Estimates hearings, as was evidenced by the recent questions on the \$3330 I had spent on hospitality for my overseas counterparts. Together these orders require the generation of hundreds of pieces of information in addition to that provided in answering the large number of questions taken or placed on notice. The conduct of public servants is far more open, and its management far more accountable, than in the past.

The consequence of these changes is far-reaching. Public servants are not only expected now to explain what has been done and why but to face review mechanisms designed to remedy any errors they are adjudged to have made. According to Geoffrey Airo-Fasulla, the accountability mechanisms which now strengthen parliamentary control over public service departments are not simply "hard-won improvements over the Westminster model" under which Sir Roland operated: rather the "changes that are occurring in government today are as significant as the nineteenth-century 'revolution in government'".²²

While Australian government has become progressively more open, the role of the senior public servant has become more challenging. This itself is worthy of a separate lecture but it is well-traversed ground and the essential elements are clear.²³

First, far more responsibility now sits with the Secretary to manage the organisation. The last twenty years have witnessed a progressive devolution, from control by central agencies to decision-making by individual departments. The Secretary of Treasury, for instance, now has authority under the Public Service Act of 1999 for "all the rights, duties and powers of an employer in respect of APS employees in the agency" – in short, he is accountable for the allocation, organisation and management of human, financial and technological resources with which work is conducted. Subject to broad parameters, he is also responsible for making industrial agreements, setting salaries and establishing the conditions of work. He, like all of his counterparts, now has to prove his ability as a chief executive officer.

Second, hand in hand with the devolution of managerial authority has come a far greater emphasis on outputs and outcomes. The structure of reporting on the use of public funds has moved from concern with proper process and compliance to a focus on results, placing greater responsibility on Secretaries to manage and account for organisational performance.

Third, the environment within which Secretaries now manage has become far more contested. Many of the enabling services that would have been performed by public servants in Sir Roland's days – cleaning, catering, security, payroll, communications technology, legal services – have now been outsourced to the private sector. So too, more controversially, the delivery of government services. A month after Sir Roland left the Department of Labour and National Service in 1946 the Commonwealth Employment Service was established to provide free labour exchanges across Australia. They did so for more than fifty years. Now they have been replaced by a Job Network of competing private and community sector organisations to deliver the government's labour market programs. The public servant has become a contract manager.

Even the role in which Sir Roland was at his most brilliant, the provision of policy advice, is today far more contestable. A Secretary today no longer enjoys a monopoly on the advice going to the Minister. Different government agencies, political advisers, advocacy and lobby organisations and public and private think-tanks now vie for the attention of government. In such a competitive environment the good Secretary will recognise the need to ensure that the advice developed in the department is as imaginative and innovative as it is well-informed and timely.

Fourth, the regulatory constraints and prescriptive controls placed on public service management have largely been removed. The shackles of bureaucratic red tape which, I feel confident, would have frustrated Sir Roland have been broken. He had to struggle with a Public Service Act, legislated in 1922 and amended countless times, which constrained at every turn the ability of a manager to manage. A new, short *Public Service Act 1999* has eschewed detail and for the first time explicitly articulated the values, conduct and behaviour expected of public servants. As a result far more APS staff now comprehend the importance of the characteristics that distinguish work in the public service. A survey conducted by the Public Service Commissioner last year indicated that no less than 89% of public servants were now aware of the values and ethical standards required of them. Large majorities thought they were not only highly relevant to their daily work but also that their managers acted in accordance with them.²⁴

You may have inferred, from my oratorical intonations, that I think these changes in the public sector environment are a good thing. On balance they have enhanced not only the productivity of public servants but, overall, have improved the workplace within which they work. Their combined effect has been to drive stronger performance management.

That may be true, respond the critics, but the gains have been more than offset by the loss of independence that was demonstrated so well by past public servants such as Sir Roland. It is argued that the removal of permanency of tenure for Secretaries in 1984, and the introduction of term appointments in 1994, have undermined the foundations of security which allowed Secretaries to speak the truth. According to Mark Riley, "nothing is more likely to make fat cats cover than the sight of their professional mortality".²⁵ Similarly it is posited that the introduction of political advisers in 1975, and the expansion in their numbers in the first half of the 1990s, has served as a barrier between the Secretaries and the Ministers they serve.

Now I would not be honest, with an election on the horizon, to say that I would not find comfort in tenure. But in truth I am not attracted by the 'imperial bureaucracy' that characterised Sir Roland's era. In the wrong hands appointment for life, combined with effective monopoly access to Ministers, could result in dominant Secretaries providing advice which had a like-it-or-lump-it quality. While one may fear the removal of a Secretary for capricious reasons, one should be equally wary of Secretaries who turn out to have been appointed beyond their level of competence.

Certainly, occasional wistfulness for the comfortable blanket of tenure is very different from suggesting that I, or my colleagues, have become frightened by our employment contract from providing the advice that Ministers need to hear. My strong impression is that my colleagues have no lesser courage to give frank and fearless advice than their predecessors. I hope I do not. They, and I, remain non-partisan in the presentation of our views.

The confidential surveys of Secretaries conducted in recent years by Professor Patrick Weller provide little evidence that 'Australia's mandarins' are intimidated. Every departmental secretary "declared that the new contract conditions made no difference to the fearlessness of *their* policy advice".²⁶ Similarly a confidential questionnaire undertaken by Professor Bob Gregory of 22 Secretaries and Commonwealth Government CEOs in late 2003 found that just three agreed with the statement that politicians were improperly involving themselves in the business of public servants. Gregory concluded that "in the minds of current APS departmental heads the conventions of 'traditional' ministerial responsibility are very much alive and well, and may in fact be more strongly espoused than was the case eight years ago before the current mode of appointment was introduced."²⁷

The making of public policy is a complex task. The issues that challenge a nation are wicked. In terrain which is politically contested, in which the resources to address difficult human issues are necessarily finite, there are rarely clear questions, let alone easy answers. Progress is nearly always marked by consultation, discussion, negotiation and iteration. Often the issues to be addressed need to be progressively reformulated.

Nevertheless the essential role of public service in the process of making policy can be set out quite simply. Let me illustrate from what I presently know best, the provision of advice by the Department of the Prime Minister and Cabinet to the Prime Minister.

In a year my Department will provide more than 5,000 written briefs to the Prime Minister, his Minister Assisting or Parliamentary Secretary. Some are relatively straightforward: the cover briefs, for example, which are attached to the draft responses to the most important of the 160,000 letters received by the PM each year. Other briefs are remarkably complex.

Being a central agency of government with a coordinating and gatekeeping role, many of the department's briefs provide independent assessment of the policy proposals being developed for Cabinet consideration by other Ministers. Other briefs provide advice in response to a request from the Prime Minister. On occasion, when the bureaucratic wheels are running well, briefs will be initiated by the department as a vehicle to move policy forward. The present Prime Minister will read the briefs and respond to their recommendations with remarkable expedition. Where the information is detailed, and the policy options complex, the Prime Minister and I will often agree that an oral briefing is required.

The point I emphasise is that, in its essential features, the process of policy development is one with which Sir Roland would have been well familiar. It is true, thank heavens, that the traditional hierarchical structures of public service have loosened. While my Deputies and I seek to add value to the quality of the advice provided, it is now usual for briefs to be signed off by those departmental officers at the Assistant Secretary or Executive (middle management) level who are most expert on the detail.

It is true, too, that the development of advice will be informed and improved by ongoing discussions with political advisers: on occasion they will have a keener sense of the range of issues that need to be addressed. It is true, also, that the advice of the department will now have to win the contest for the ear of the Prime Minister against alternative ideas coming from within and outside the APS. Yet, I can attest, the Prime Minister has never sought to determine the content or arguments of the departmental advice, still less to prevent information being conveyed to him.

On some occasions the Prime Minister will be fully persuaded of the merits of the departmental viewpoint; on other matters the Prime Minister will be partially convinced but want further ideas and approaches explored; and in other instances he may consider carefully but then reject the departmental arguments. It is possible that Sir Roland achieved a higher success rate than I with his advice to Ministers and Treasurers. My essential message, however, is that neither I – nor, I believe, my Secretarial colleagues – have been politicised in the sense of withholding information from, or tailoring advice to the known preferences of our Ministers.

As to the role of political advisers, my viewpoint is firm. I do not see them as undermining the influence or responsibility of the public service. Unlike in the United Kingdom, the staff designated as advisers, some 150 in total, are not integrated into the Australian Public Service: employed instead under the Members of Parliament (Staff) Act they are identified as ministerial advisers and sit in the offices of Ministers (or Shadow Ministers) not in departments. It is no bad thing they contest the policy advice of public servants. The perspectives that I provide to government deserve to be challenged. I do not fear that the particular and distinctive role of the ministerial staffer will bring about the demise of an independent public service or destroy the Westminster tradition.

Indeed, my perspective is exactly the opposite. There is, I believe, an essential difference between public servants and ministerial advisers. We have equally important but quite distinctive roles. Public servants are non partisan. We are, if you will, a professional administrative class. We have a high degree of job security across government. Over a career we are likely to serve successive Ministers and Prime Ministers of different political persuasions. We have a vitally important role at the heart of public administration. We preserve the corporate memory that is placed at the disposal of successive governments. We maintain, through our Ministers, lines of public accountability.

By contrast, the political adviser is necessarily and appropriately partisan. The fortunes of a ministerial adviser are tied to the political career of a Prime Minister, Minister or government. Our roles are complementary. In the words of the Public Service Commissioner, Andrew Podger, the two groups have "different responsibilities" but share a "common commitment to serve the Minister". The public service provides advice which is based on the careful analysis, independent assessment and long experience which resides in large and stable organisations. It is not party political.

Advisers play a beneficial and healthy role in our system of governance. They are able to handle issues of a confidential nature, deal directly with the media and, on occasion, liaise with party organisations. Their role helps the APS to do its job. Advisers help to question and test the quality of advice that the public service is providing, bringing a perspective that reflects the close working relationship they have with their Minister.

I do not believe, then, that the shining qualities of professional public service leadership exhibited by Sir Roland have been tarnished by those of us who have succeeded him. But then, in the immortal words of Mandy Rice-Davies, I would say that, wouldn't I? My worthy rhetoric may simply gloss over the issues which have come to symbolise the demeaning conspiracies of modern times. The fact that children were not thrown overboard by those on the '*Olong*' (SIEV 4); the failure to find weapons of mass destruction in Iraq and the fact that Ministers were unaware of the military situation reports on prison conditions sent from

Baghdad: these, to many, seem evidence of the unremitting decline in the quality of public service leadership.

I will willingly admit that each instance has presented a challenge to public service. Taken together the incidents reveal that at moments of crisis it is often hard to balance the timeliness and accuracy to which we aspire; that it is imperative to distinguish proven fact from untested assertion; that no amount of information technology by itself can ensure effective communication across the silos and ladders of organisational culture; and – most mundane – that the value of effective record-keeping is as vital now as it was to the clerical assistants of 1901. In short, on occasion the public service has made mistakes, simple but profoundly important mistakes, from which we have to learn. A number of my colleagues have unflinchingly held themselves responsible. All of us who have not been directly involved share an awareness that our good fortune is more attributable to the grace of God than to infallibility. Mistakes happen, errors occur and Secretaries are held to account.

But three things I would say in defence of public service leadership. First, that greater levels of scrutiny mean that administrative error and misjudgement are far more likely to become public than in the past. Second, that the occasional failure of public service does not indicate a conspiracy of politicisation. Third, that many of the alleged shortcomings are no such thing.

The suggested ‘failure’ of intelligence agencies to effectively shape public policy is the best instance. Intelligence is nearly always partial, often contradictory and of sometimes doubtful provenance; its analysis and assessment necessarily requires informed judgment; and its translation into public policy is appropriately shaped by wider, longer-term strategic interests. The fact that a certain piece of information fails to determine a policy outcome does not indicate a failure of public service or of government, still less an unholy alliance between the two.

It is not that I am complacent about the state of the public service or its leadership. Rather that the grounds upon which it is now most often criticised are fundamentally misconceived. Indeed my view is that we need to be more not less responsive to the government of the day, although absolutely not in the sense of serving up to Ministers only the policy prescriptions we think that they want. I share in part the concerns of a political adviser in the Prime Minister’s office that among senior public servants “wrinkled brow and grey beards can suggest wisdom but just as easily disguise mental atrophy ... I could never understand why for many of them the power in their hands did not animate them and rouse their imagination. Instead they carried it like a dead weight for dropping on the toes of enthusiastic people.”²⁸ The adviser was Don Watson, his Prime Minister, Paul Keating and – I rather hope – the grey hirsute wrinkly is not myself.

I would like to imagine that I am leading a public service than can be far more responsive. Responsive through using teams rather than hierarchies to develop creative policy options and innovative approaches to problems. Responsive to breaking down the bureaucratic barriers that signify the onset of organisational sclerosis, instead promoting a culture of collegiality as a means of developing policies that reflect a 'whole-of-government' perspective. Responsive in terms of exhibiting a bias for action in implementing in a committed manner the decisions of government. Responsiveness, in my dictionary, is a term of approbation.

The attraction of conspiracy is that it simplifies complex issues. That is also its fundamental weakness. The Westminster tradition today, just as fifty years ago, refers to a complex set of balanced relationships, marked by subtleties and nuances. For that reason the sign of a good Secretary is not marked alone by the independence of his mind or the robustness of her advice: rather it is indicated by the extent to which they fully appreciate the respective roles of elected government and appointed public servant.

Nowhere is the necessary balance of Secretarial responsibility better articulated than in the key public service value set out in the bipartisan *Public Service Act 1999*, namely that: "The APS is responsive to the Government in providing frank, honest, comprehensive, accurate and timely advice and in implementing the Government's policies and programs."

There, in a single sentence, are set out the dimensions of public service virtue. Secretaries have not simply to be frank and fearless in standing up to their Ministers: equally important, and fundamental to their role, their advice must be responsive to the directions set by government and committed to the effective delivery of policy decisions taken by government. Certainly a good public servant will seek to distinguish national interest from amongst the plethora of particular positions advocated by interested parties, and to have that judgment inform the development of policy: but it is the government alone, who must regularly face the prospect of electoral retribution, who decide on national interest.

This is not just tradition as perceived through the blinded eye of a modern managerialist. Let me conclude with two quotations that seem to me to sum up well the values that should be displayed at the top of the Australian Public Service.

The first establishes why professional public service remains vital to the development of public policy:

*"There is no problem in getting advice, whether from inside or outside the regular channels. It can be good or bad, or it can be like the curate's egg; it can be self-seeking or objective; but it is never in short supply. The real problem is for ministers, not themselves always technically proficient, to select the good from the bad and to relate it to their own broader appreciation of political and economic realities and their own philosophical approach to the task of government. It is to assist in this that the policy units of government departments exist."*²⁹

The second, equally important, emphasises that the making of policy is the responsibility of politicians, not of public servants:

*"I feel ... that some of our Public Service administrators have been altogether too much infatuated with their own crackpot views and the sooner I subject my own thinking to the supervision of my political masters the better we shall get on."*³⁰

Both are views to which I, and my Secretarial colleagues, would subscribe. They are from the public servant that the present Prime Minister, John Howard, has described as "in the best sense of that word, a dedicated professional servant of the Commonwealth [who] ... gave unstintingly of his service and his loyalty to governments of both political persuasions."³¹ I mean, of course, Sir Roland Wilson.

Together I and my colleagues may aspire to the qualities of intellectual leadership that he provided and privately fear that we may never reach his heights or possess his authority. He was, after all, "perhaps the most influential public servant in federal history"³². But be not in doubt that we are bound to him by the preservation of a shared tradition. The holy grail of public service has not yet been forsaken or dishonoured.

Endnotes

I would like to thank Andra Putnis for her help and assistance.

- ¹ John Stone, "A Great Servant of the State", *Canberra Bulletin of Public Administration*, No 82, December 1996, p.27.
- ² Ian Hancock, "Harold Edward Holt" p.276 and Brian Costar and Peter Vlahos, "Sir Arthur William Fadden", p.213, both in Michelle Grattan, *Australian Prime Ministers*, Sydney 2000.
- ³ Ian Castles, "Sir Roland Wilson", *Economic Roundup*, Spring 1996.
- ⁴ *Serving the Nation, 100 Years of Public Service*, Canberra, 2001, esp. pp.45, 144-7.
- ⁵ Roger Beale, Farewell Speech, "On the Line with the Postwar Greats", *Canberra Times*, 6 April 2004, p.4.
- ⁶ Patrick Weller, *Australia's Mandarins: The Frank and the Fearless?* Sydney 2001, p.23.
- ⁷ Selwyn Cornish, *Sir Roland Wilson. A Biographical Essay*, Canberra 2003, p.36. See also Greg Whitwell, *The Treasury Line*, Sydney 1986.
- ⁸ Beale, *op. cit.*
- ⁹ Weller, *op. cit.*, back cover.
- ¹⁰ Michael Pusey, *Economic Rationalism in Canberra: A Nation Building State Changes its Mind*, Sydney 1991.
- ¹¹ Kenneth Davidson, "The Dangers of a Compliant Bureaucracy", *The Age*, 10 July 2003.
- ¹² *Sydney Morning Herald*, 12 July 2003.
- ¹³ Allan Behm, "How We Got Iraq's WMDs Wrong", *Australian*, 14 July 2003.
- ¹⁴ Among many other newspaper reports in a similar vein are Michael Costello, "Let's Re-create Bureaucrats' Independence", *Australian*, 7 May 2004; Craig Emerson (Shadow Minister for the Public Service), "We Must Revive the Independence of the Public Service", *Canberra Times*, 26 February 2004; "The PM and the Public Service", *Sydney Morning Herald*, 15 July 2003; Tony Harris, "What a Tangled Web We Weave", *Australian Financial Review*, 15 July 2003; Mike Seccombe, "Truth or Dare", *Sydney Morning Herald*, 5 July 2003; "Not Smart to Hide Intelligence", *The Courier Mail*, 12 July 2003.
- ¹⁵ On this question see: Administrative Review Council, *The Scope of Judicial Review*, Discussion Paper, 2003.

- ¹⁶ John Wanna, Christine Ryan and Chew Ng, *From Accounting to Accountability. A Centenary History of the Australian National Audit Office*, Sydney 2001, Chapter Three.
- ¹⁷ *Ibid*, p.268. The Auditor was John Taylor in 1989.
- ¹⁸ Allan Hawke, *Public Service – A secretary's View*. Paper based on Telstra Address, 19 June 2002, National Press Club at www.defence.gov.au/media/speechtpl.cfm?currentid=1610 .
- ¹⁹ Max Trenorden, "Public Sector Attitudes to Parliamentary Committees: A Chairman's View", *Australian Parliamentary Review*, Spring 2001, vol 16(2) pp.97-100.
- ²⁰ I am extremely grateful to the Parliamentary Library for providing me with their analysis of Committee data collected by the Senate. The interpretation of that data is mine.
- ²¹ A.S Podger, "Trends in the Australian Public Service: 1953-2003", address given on 24 September 2003, www.apsc.gov.au.
- ²² Geoffrey Airo-Farulla, "Administrative Agencies and Accountability" in Paul Boreham, Geoffrey Stokes and Richard Hall Eds, *The Politics of Australian Society*, 2nd edn, Sydney, 2004, pp.173-4.
- ²³ A summary is provided in the Australian Public Service Commission, *The Australian Experience of Public Sector Reform*, Occasional Paper No.2, June 2003.
- ²⁴ Australian Public Service Commission, *State of the Service Employee Survey Results 2002-2003*, Canberra 2003, pp.10-15.
- ²⁵ Mark Riley, "Circling Around Winston's Legacy", *Sydney Morning Herald*, 18 July 2003.
- ²⁶ Weller, *op. cit*, p.17. In a rather poignant reflection on human nature "several noted that some of their colleagues were more cowed"!
- ²⁷ Bob Gregory, School of Government, Victoria University of Wellington, presently an unpublished survey, 2004.
- ²⁸ Don Watson, *Recollections of a Bleeding Heart: A Portrait of Paul Keating PM*, Sydney 2002, pp476-7.
- ²⁹ Quoted in Weller, *op. cit*, p.186.
- ³⁰ Quoted in Cornish, *op. cit*, p.30. As David Murray has emphasised in "The Next Platform to Australia's Future", Sir Roland Wilson Foundation Lecture, Canberra 2004, p.7, Sir Roland's contribution to the Public Service was that he understood that "he could be a policy adviser but not a policymaker".
- ³¹ Address by the Hon. John Howard MP, Prime Minister, at the Official Opening of the Sir Roland Wilson Building, ANU, 26 August 1999, www.canberraliberals.org.au.
- ³² Weller, *op. cit*, p.1.

Goodbye To All That Power?

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Last year I was honoured to present the Sir Roland Wilson Foundation Lecture. It was a chance to research the contribution made by one of the iconic figures of the Australian Public Service. Following the lecture, I learned more at the reception from those who had worked with him. Their personal recollections confirmed that Sir Roland was a tough, fair, uncompromising, brilliant, combative and enormously influential Secretary to the Treasury in the 1950s and 1960s.

Working on the lecture provided a welcome opportunity to reflect on the changes to public service leadership over the last forty years. My underlying thesis was that the world in which Secretaries now wield influence over policy is far more contestable, and far more open to public scrutiny, than in an earlier generation. My subsidiary – but far more controversial argument – was that the advice they provide today is no less frank, and no more politicised, than that of their predecessors.

That view is not orthodox. A short history of the Australian Public Service has recently been provided by Don Russell in *New Matilda*. Russell remembers that when he joined Treasury the public service still acted as a discipline on the government. Curtin, Chifley and Menzies “preferred to operate surrounded by clever officials, answerable and loyal to them. During the time of Whitlam and Fraser the public service overreached itself, took upon itself the right to dictate to Prime Ministers and as a result saw its role dramatically diminished.” When Russell returned to serve as senior adviser to Paul Keating the government once more treated “the public service as a legitimate counter balance” to political advisers. Since Russell’s departure in 1996 the public service has again become disempowered.

Well, perhaps. In late 1991 Laura Tingle (by then already a four year veteran of the Canberra press gallery) was persuaded that “much of public policy, and the government, was being run effectively by the public service alone – that its political masters had almost all gone ‘out to lunch’”. Not too much balance there.

The fact is that the legend of the public service’s strong covert power has continued to coexist with the myth of its subservience. In the lead up to last year’s Federal election the *Sydney Morning Herald* reported that senior Australian and NSW public servants were “in danger of being cowed into silence”, paying only lip service to frank and fearless advice. It’s a common perception.

Yet, in that same week, *The Australian* anticipated precisely the opposite: political parties that become governments “ultimately become captives of the public service mandarins, who understand the numbers that Treasury commands.” This, paradoxically, is an equally well-established view.

So, when Secretaries have power, what do they do with it? This is where matters really get confusing. The University of New South Wales academic, Michael Pewsey believes successive Federal governments have in the last generation “succumbed to an alien – and largely American – minimalist, top down, notion of elite democracy” under the pernicious guise of economic reform. In his view it has been a small group of like-minded senior public servants who have foisted their rationalist ideology on both the two main political parties.

In the *National Observer* of Autumn 2004 it's the same public servants but a quite different history. Andrew Campbell agrees with Pewsey that the “committed bureaucratic activists” of the 1980s and 1990s were extraordinarily powerful, and roundly condemns them for employing the same “familiar strategies of duplicity and concealment”. Yet according to Campbell they were advocating a quite different agenda: the top public servants were busy at work pursuing the ‘progressive’ ideology of the chattering class.

So, there you have it. Secretaries have simultaneously been both wet and dry. They have had too much power and enjoyed too little, often – remarkably – at the same time. They have used covert power to promote hard-headed ‘economic rationalism’ and to promulgate soft-headed, ‘left liberalism’: again – even more astoundingly – pursuing such goals concurrently. If you believe these accounts the Australian Public Service has for at least a generation been in the grips of a collective bipolar disorder.

The most common view today is that public service leaders have become subservient. I'm not persuaded. Call me cynical but I cannot help but notice that the perceived decline in the power and status of public service often seems to coincide with the departure of the perceiving public servant. There's a remarkable conjunction of personal and administrative history. Whether individually, or in collective groups of 43, retired diplomats, military brass and mandarins have a disarming if understandable tendency to see their successors fail to live up to their own high standards of truth, ethics and integrity.

I'm already planning my article for the *Public Service Informant* in 2010. It will, of course, bemoan the fact that since my much lamented retirement, the quality of those who have succeeded me has plummeted. When it appears, don't believe a word of it. The public service values that Sir Roland Wilson extolled – responsiveness to elected government, robustness of policy advice, commitment to accountability, appointments made on merit and high ethical standards – will continue to inspire new generations of public servants long after I've left for the coast. Just as they do now.

The articles to which I refer are: Andrew Campbell, "The Chattering Class and Australian Social Cohesion", *National Observer*, Autumn 2004, No. 60; Michael Pewsey, "An Australian Story: The Troubling Experience of Economic Reform", address to The Senate, Parliament House Canberra, 20 June 2003; Don Russell, "A PM with Power Unparalleled since Federation", *New Matilda*, 3 November 2004; Peter Switzer, "Hope of Pollies' Pressies Fading", *The Australian*, 5 October 2004; Laura Tingle, "Commonwealth Public Service Looking Severely Sick", *Canberra Bulletin of Public Administration*, March 1992, No. 68; Robert Wainwright and Paola Totaro, "Cowering in Ranks, says State Warrior", *Sydney Morning Herald*, 2 October 2004.

