"The need to wield a crowbar"
Political Will and Public Service
A short historical discourse on attempts to overcome the perceived ossification and inertia of buttoned-up public servants (and why they're now the better for it).

2005 Dunstan Oration
7 April 2005
Institute of Public Administration, SA Division

Dr Peter Shergold AM
Secretary, Dept of the Prime Minister and Cabinet

Let me begin this lecture with a not unfamiliar story. It is the account of a government coming to power after a long period in opposition. There is suspicion, in some quarters deeply imbedded, of the public service. To many of those Parliamentarians who have spent years in Opposition there is a perception that the top public servants have come to share the views of the previous government.

Others, perhaps most, hold the opposite view. They believe that public servants have bent government to their own predilections. "Ministers", it was commonly thought, "worked closely with departments and tended to be dominated by them." 1 "Without action it was feared that the public service risked degenerating into an "arbitrary, irresponsible bureaucracy". 2

The new government is deeply wary of the loyalty of the public service, given the service's long relationship with its predecessor. It is even more suspicious of public service influence. The head of the previous government is seen by many to have been beguiled by the interventionist agenda of a top public servant pursuing a Keynesian agenda. Irony abounds: that self same head had, while biding time on the back bench, scolded his party's own Ministers "for their repeated failures to exercise leadership and influence policy in their departments" and "for their uncritical acceptance of everything the civil servants told them". 3

The leader of the new government carries the scars of personal experience. While briefly a Minister, he has had significant clashes with his permanent head. He is persuaded that the Government's policy goals will not be sufficiently implemented by the mandarins inherited and "desired a government that was firmly under his control." 4

Although there is widespread agreement that the top public servants are well-qualified, able and hard-working – indeed they are too qualified, able and hard-working relative to the Ministers they serve – the Service within which they work is adjudged by the new leader to be sclerotic. There is a strong

2 Report of the Committee of Inquiry into the Public Service of South Australia (the Corbett Inquiry), 1975, 1.36.
4 Warhurst, op.cit., p.181.
view that the administrative machinery of government is antiquated and the public service is in need of substantial modernisation.

However there is resistance to change, particularly from within the public service. The structures of officialdom prove unresponsive. Heads have to roll. In controversial circumstances a new Public Service Commissioner is appointed who will help the leader "to beat the system". Unlike his colleagues this new man shares many of the views of the leader he serves. He's a doer.

According to the leader, his "attitude was always that the Public Service was there to carry out the policy of the Government of the day". This was in marked contrast to his colleagues who "were inclined to be very much more sticky about providing the staff we needed to ensure the job was done".

He is, in his leader's eyes, an effective public servant who has perceived the inertia of the system and knows how to circumvent it. Frankly admitting that "he was sometimes devious in his operations" his leader nevertheless finds him superb at his job and goes on to promote him to the most senior position in his department. Not surprisingly this raises "many a hackle in the Public Service".

Other appointments, too, generate the ire of traditionalists. The leader's private secretary and head of his department's coordination unit are both selected from public service ranks but are not the appointments the Public Service Board favours. When another Public Service Commissioner is required the leader is carefully admonished and reminded of the need to preserve a career service when choosing senior staff.

He is presented with a list of candidates to consider with this in mind. "I looked down the list" remembered the leader. "Very buttoned-up people they were. If I had wanted to compound my difficulties … I would have appointed one of them". The uninspiring candidates are rejected in favour of an outsider known for his sympathy to the party in power.

The chairman of the Public Service Board warns the leader that the decision will "be seen as a political appointment". It is. So, too, are later appointments. The leader is unfazed. He remains convinced that as a result the Board has become more "qualified, flexible and innovative".

It is not only the 'bureausaurs' who worry that a process of politicisation is afoot. Academic commentators express concern that a significant proportion of senior public service appointments now come from people outside the Service; that a growing number of personal advisers are employed to do jobs previously performed by public servants; and that some of the key public servants appointed are partisan in their commitment. Fingers are pointed accusingly at the leader's own department.

6 Ibid., p.180.
7 Ibid., p.216.
8 Ibid., p.219.
9 Ibid., p.219.
10 Ibid., p.308.
In order to drive systemic reform a Committee of Inquiry into the Public Service is established. It is "locked into' the broad political process from the start". Indeed the controversial head of the leader's department is appointed to the Committee and, "increasingly important and ubiquitous", makes sure it understands the needs of the government.  

Not all the Committee's recommendations are warmly received. Of particular concern is a proposal that departmental heads henceforth be contracted for a set period rather than being permanent. "If that pattern were established", writes one political scientist, "there would be a danger that it would influence the whole public service and precipitate a general ' politicization'. It "would be an altruistic government which did not use the opportunity to appoint permanent heads of its partisan political persuasion".

The media follows the hunt. Bureaucrats, herald the headlines, are becoming increasingly upset over the 'political' role evident in appointments. Public servants, it is reported, are disturbed and angered by the increasing role of political advisers. A decision to make the position of personal secretary a public service position is criticised by political opponents as yet "another step on the road to making the Public Service political".

Even those who had previously worked closely with the leader come to believe that a delicate balance is being weighted too heavily towards executive power. The changes are undermining "the thin grey line which traditionally has existed between the political and administrative functions of the government".

This, then, is a tale of the perceived politicisation of a public service. It is the story of Don Dunstan, and of the ALP coming to power in South Australia after almost 27 years of the Liberal and Country League (LCL) government of Sir Thomas Playford.

This is the account of a politician who believed that the "strong and capable departmental heads" he inherited "were strongly LCL in personal outlook, had never known another administration, and regarded not only existing organisations, but existing policy, as their personal property". They were too powerful, too committed to the status quo and "almost without exception they set out to mould Ministers' views to their own and to manipulate the Minister to prevent marked change."

It is an account of the end of one era and the beginning of another and of the extraordinary influence of public servants in both. In the Playford era it is the story, most notably, of the Auditor-General

---

15 Peter Ward, "Bureaucrats become upset over 'political' role", The Australian , 24 December 1977. Ward, who had been Dunstan's executive assistance, left that position in the mid-1970s and became a fierce public critic of the Premier.
16 Between March 1965 and June 1967 Dunstan served Premier Frank Walsh as Attorney General, Minister of Social Welfare and Minister of Aboriginal Affairs. In June 1967 he became Premier and, after another brief period in Opposition, he served as Premier and Treasurer from June 1970 until February 1979.
17 Dunstan, op.cit., pp. 103-4.
William Wainwright who, on entirely pragmatic grounds, successfully argued that South Australia's economic development and industrialisation depended on government intervention and even – with respect to the Adelaide Electric Supply Company – on the nationalisation of private enterprise. In large measure because of Wainwright's influence the conservative Playford was publicly acknowledged by the Labor leader Mick O'Halloran as "the best Labor Premier South Australia ever had" but attacked by Collier Cudmore, the leader of the LCL in the Legislative Council, as a "Bolshevik". 18

In the Dunstan era it is the story of a new Premier's determination to uproot the old order and of the appointment of a new generation of public servants – including Bob Bakewell as Public Service Commissioner and, later, as Director General of the Premier's Department; Kelvin Bertram as head of the Coordination Unit; and Steven Wright as the Premier's private secretary.

To describe it as the history of Don Dunstan's approach to public service reform is altogether too dull. It is an account of how Dunstan admired the institution of the public service but was suspicious and, on occasion, downright contemptuous of the public servants who headed it. In seeking to reconcile those contradictory tendencies, Dunstan set new directions for public administration that significantly influenced developments beyond State borders.

All of this perambulating preamble is intended to reveal why it is for me a great honour to present this year's Dunstan oration. It provides an opportunity to reflect on our understanding of the relationship between executive government and public service, of the balance between political will and apolitical administration and of the tension between tradition and reform. Most importantly, it allows me a forum within which to reflect on the contemporary debate on the perceived politicisation of Australian public services.

* * *

Until his final days Don Dunstan believed in the need for government "to intervene by state action to create undertakings to temper the market place or to remedy its failures". He hated those poor, deluded economic rationalists who (like me) spruik the virtues of the market. 19 I suspect that Tom Playford would have been no more sympathetic to my ilk.

Dunstan came to power with a reformist zeal for educational opportunity, community welfare, consumer protection, Aboriginal land rights and promotion of the arts. He believed in equal opportunity for women and fighting racial discrimination. That had profound implications for public administration. The interventionist agenda of the 'Dunstan Decade' was necessarily dependent on planning and regulation. "Only a government committed to planning" 20 could hope to direct government investment, and regulate market enterprise, to his vision of progressive social welfare. To

deliver that required a public service that was bigger and, in Dunstan's eyes, better than that which he had inherited.

To that end, in May 1973, under the chairmanship of Professor D.C. Corbett from Flinders University, a committee of inquiry was established to examine the role, structure, management and staffing of the South Australian Public Service. Dunstan, announcing the committee, argued that there was "an excellent Public Service in South Australia, but it is a long time since anybody really considered its structure and conditions." 21

That was not the whole truth. Reform had started a few years earlier with the passage in 1968, while Dunstan was in Opposition, of a new Public Service Act. That legislation established a full-time Public Service Board and introduced the principle of relative efficiency in place of seniority in the promotion of public servants – the first Australian jurisdiction to do so. And, by 1973, public service employment was already growing by leaps and bounds. Since 1965 there had been "an explosion" in the size of the South Australian Public Service. 22

From 1975-76 to 1977-78 numbers increased by 5.4, 3.8 and 3.4 per cent annually. By July 1978, when financial exigencies forced Dunstan reluctantly to introduce a zero growth policy for the public sector, there were more than 17,000 public servants. The size of the South Australian Public Service had risen by about two-thirds in a decade. That was significantly faster than in any other jurisdiction. 23 Given Dunstan's determination to open up the new merit system of appointment, an increasing proportion of senior positions were women.

But the Corbett committee was a landmark. When it reported in March 1975 its recommendations, and their implementation, had a significant impact. The structure of the expanded public service was streamlined. In 1975 South Australia had 49 administrative entities that were formally recognised as departments. One Minister had no less than nine departments to look after. Merging bureaucratic boxes, and reducing administrative demarcations, thought the Corbett committee, would allow ministers to step away from administration and give greater consideration to broad policy matters. By September 1976 the number of departments had been reduced to 30.

Equally important, many of the functions of the Public Service Board were delegated to the new, larger departments. Power was devolved to agencies, allowing them greater autonomy in managing their own affairs, particularly for recruitment, staff structures and training. 24 The rigid centralised control of the Board, heavily prescribed in legislation, was broken. In the future it was to have the role of monitoring organisational performance, providing support and advice to departmental heads and reporting to cabinet and parliament on efficiencies achieved.

21 Jaensch, op. cit., p.71.
22 Dean Jaensch, The Government of South Australia, University of Queensland Press, St Lucia, 1977, p.133.
24 Ibid., p.116
No-one should underestimate the significance of these South Australian reforms for public service administration in Commonwealth, State and Territory jurisdictions over the next generation. The key principles which the Corbett committee expounded, and which Dunstan to a large degree delivered, made for a more efficient and better administered public sector. Others learned from that experience.

In the Australian Public Service (APS) that I know best the embrace of devolved management, streamlined bureaucracy and merit-based appointments – the essential characteristics of Dunstan's public service reforms - has transformed the effectiveness and performance of public administration. With devolution has come much greater focus on outcomes and a sharp rise in productivity.

At one level, then, this oration could be constructed as a virtuous exhortation. It could revisit the Dunstan era, focus on a rather arcane chapter of that political history, establish the Premier's credentials as a significant public service reformer and conclude by acknowledging that key elements of that change process were to set a precedent for the next generation of administrative reform.

Such hagiographic intent would be unworthy of the man that this address honours. It would fail to capture the passion and frustration that drove Dunstan.

Equally important, it would effectively set aside profoundly important questions about the relationship between political will and public service.

***

Working with senior public servants could drive Dunstan into an apoplectic rage of "cold fury". He trusted them so little that on occasion he returned to his office "with a very itchy feeling between the shoulder-blades". They, and the care with which they proceeded, were often far too slow for Dunstan's activist agenda: "the delays and consultations and hold-ups and committees" that confronted Dunstan could leave him "mouthing in speechless frenzy. And so too with the carrying out of policy. At times the inertia of the system and the lack of people able to carry out the work leaves a policy-maker feeling the need to wield a crowbar." 25

And wield it he did. First, as has already been intimated, he sought the appointment of top public servants in whom he had trust, who broadly shared the government's agenda, who were committed to getting things done and who could be given term appointments.

It was not easy going. The participatory philosophy that Dunstan brought to the workplace, embraced as 'industrial democracy', was turned against him. So, too, was his determination to fight discrimination. When the Premier sought to choose his own person as Deputy Director-General, the 'young Turks' of the staff-management joint consultative council argued that there needed to be formal and direct staff involvement in the selection process. It was Bob Bakewell and Steve Wright who had to confront the rebellion and argue the unpopular case that such senior positions were "above general

25 Dunstan, Felicia , op. cit., pp.106 and 180. Dunstan did not wish his heartfelt criticism to be taken out of context: he was frustrated by the "ineptitude, incapacity, and clear lack of drive in the private sector as well" (p.180).
consultation". 26 When Dunstan purposefully selected a woman as his adviser on women's affairs the Public Service Association attacked it as "an act of discrimination". 27 To the Premier such opposition simply reinforced his view that public servants were willing to mount any argument to preserve the status quo: "One always has to face the problem with Public Service unions that they wish to ossify the system to ensure security". 28

Second, Dunstan employed numerous non-public service advisers to work for himself and other senior Ministers. Many "became public figures and the centre of political argument". Committed to and knowledgeable about ALP policy they provided the Dunstan government with alternative sources of advice. They were "a source of ideological reinforcement – watchdogs for ensuring that the Labor Party's position would not be forgotten". Not surprisingly there was tension between them and senior public servants. 29

Third, Dunstan concentrated more and more power within his own department as a means of driving his political agenda. A Policy Secretariat grew into a Policy Division, which was as unpopular across the Service as it was influential. By the end of his term its Coordination Branch was reporting to him each week on the full range of government activities and overseeing all State-Commonwealth communications. 30 Administrative power was being devolved to agencies but political power was being centralised. The Department became "a powerful instrument of central control in the hands of the Premier and an influential source of advice". 31

This accretion of responsibility in the Premier's department was not just about bringing about better coordination and oversight of delivery. It was about Dunstan's suspicion of the financial conservatism of the Treasury. More broadly it reflected his view that key Ministers accepted too readily the advice of the submissions and briefs put forward by their public servants. And, with that in mind, it was also an exercise in symbolising in an unambiguous manner that the power to make decisions rested with the Premier (and to more limited extent his Ministers) rather than with public servants. Here is Dunstan's memory of his briefings:

"I listened, but judged and made my own decisions. Apparently, that process became for numbers of public servants, a daunting business. They would come in, clutching their briefs, be invited to sit down, and put their case. I simply sat back in my chair, regarding them steadily, and listening. When they finished, I either agreed, queried, rejected, or asked them to leave the brief with me. So far as I could tell I was courteous and not difficult. But apparently my stare (or on occasion appearing to go to

26 Peter Ward, "Dunstan Policies Split His Staff", The Australian, 6 September 1976.
27 Jaensch, op. cit., p.82.
28 Dunstan, Felicia, p.144.
29 Warhurst, op. cit., p.189-90. Although sympathetic to Dunstan, Warhurst concluded that "the concentration of ALP activities was probably unhealthy".
31 Warhurst op. cit., p.182.
sleep, for I would often close my eyes while listening) was so shattering that I was astonished to see these people positively shaking as they came in or went out.” 32

As a public servant I am uncomfortable with this description of cowed public servants. Nor do I necessarily accept many of the criticisms directed toward those who led the South Australian Public Service in the 1960s and 1970s.

Contrary to contemporary stereotyping, the leadership that Dunstan inherited were not all old men who had only moved to the front of the queue by dint of seniority. They were not there just by virtue of patience and diligence. Indeed when Dunstan became Premier in 1971 32 (28%) of the 116 senior administrators had worked less than ten years’ in the public service and 75 (65%) were under 55 years of age – scarcely the demography one would expect of a bunch of old fogies. 33

Nor do I acknowledge without argument that they were a force for inertia. Perhaps there was some resistance on ideological grounds to Dunstan's social justice agenda although, as we have seen, many of those who served Playford were not those whom are now decried as economic rationalists. I would hazard an informed guess that much of the resistance Dunstan confronted was at least in part that of public servants acting professionally, urging consideration of all the implications of a policy decision, counselling caution and – perhaps most frustrating – ensuring due process in the administration of public funds.

This, I would posit, is a tension inherent to the proper functioning of the Westminster tradition. It is most evident when a new government comes to power after a long period in the political wilderness full of reformist zeal or, concomitantly, when a public service has gone unchallenged for too long and has become focussed on processes rather than outcomes.

Finally I note that many of the criticisms of the top public servants related to the perception that they were too influential. It was scarcely their fault if, as Dunstan believed, they generally had an intellectual capacity and work ethic superior to the Ministers they served. Presumably they believed, to coin a cliché, that they were being frank and fearless in the advice they provided. Let us remember, too, that others in Dunstan's administration, and sometimes Dunstan himself, criticised those same public servants for being subservient to the political will of the Playford government.

This paradoxical view of the allegedly symbiotic relationship between top public administrator and Government Minister – that the public service is either too weak or too strong, subservient to

---

32 Dunstan, Felicia , p.218. At times Dunstan believed that naturally conservative departmental heads had become used to a certain way of doing things (e.g. the structure of the Governor's speech to open Parliament); at times that their advice was accepted with little more than an initialling of the file (e.g. opinions from the Crown Solicitor's department); but on occasion he was convinced that their actions were designed with political intent and personal vindictiveness (e.g. sending Crown briefs inappropriately to Dunstan's private law firm): see pp. 104-06.

government or employing covert power to its own ideological agenda – seems odd. It is. Yet, in truth, it has an established provenance in the interpretation of Australian political history.

This predictable defensiveness on my part provides an important context to Dunstan's actions, a necessary counterbalance perhaps to his rather jaundiced memories. But it does not provide an answer to the most significant question, namely whether or not Dunstan's actions represented the politicisation of the public service? That is the issue which adds contemporary relevance to historical interpretation.

* * *

When Don Dunstan decided to appoint Graham Inns as a Public Service Commissioner, the chairman, Max Dennis "quivered a little and said, 'It will be seen as a political appointment'." Dunstan, we have seen, didn't care: he appointed the well-qualified Inns who, in Dunstan's words, "was known for his sympathies with the ALP." His response was forthright. "Well I think I can stand the 'political' bit" he told Dennis. 34

Thirty years on we need to provide a more persuasive answer, not least because the allegations of politicisation levelled at the Dunstan administration have become a recurring theme in the criticism of today's public services. Was, or is, the criticism correct?

My answer, by and large, is that it was not true and, with less qualification, that it is not true. It's a position that will require some staunch defence.

Dunstan's portrayal, in my view, was largely a correct interpretation of the Westminster system of democratic governance. Ministers, collectively, should be accountable for taking decisions based on what they see to be in the best interests of the citizens – citizens who are given the opportunity to cast judgement at the ballot box every few years.

The rather dated aphorism that 'Ministers propose and public servants dispose', that Ministers decide and public servants implement, is too simple a demarcation. Public servants necessarily have a key role in advising their Ministers on public policy. As long as it is done in private, and remains confidential, they should on occasion be forceful in the determination with which that advice is provided.

But if public servants go beyond that point – if they begin to believe that they possess greater intellectual or ethical authority to determine the public interest – then they have gone too far. That, of course, was Dunstan's fear; it was, interestingly, the concern that Gough Whitlam and Malcolm Fraser shared when they successively came to power federally; and it is the suspicion that any elected leader should have.

34 Dunstan, Felicia , op. cit., p. 219.
Similarly it is appropriate for government to believe that once a policy decision has been made and announced that public servants should seek to implement it with commitment and promptitude. Of course programmes and services must be delivered within the framework of administrative law, and with close attention to efficiency and effectiveness, but those attributes cannot be used as an excuse for poor project management, inadequate communication or lack of will. A potential leader has a right to expect that public servants will show a bias for action in the implementation of government decisions.

Nor do I believe that the views of senior public servants should go unchallenged and not only by the Ministers they serve. There is nothing in the Westminster tradition that suggests that public servants should have a monopoly in the advice going to government: indeed from a democratic perspective there is everything to be gained by a contestable environment, in which the well-honed policy skills and experience of public servants are challenged by alternative perspectives from within and outside government.

Let me go further. The appointment of political advisers, which had its Australian origin in the 1970s, is no bad thing. The recruitment by Ministers of small numbers of staff who share the partisan perspective of government does not undermine good public policy. The key is the need to recognise that though both political adviser and apolitical public servant may serve the same Minister, Premier or Prime Minister, they have distinct roles. Career public servants should eschew party political advice whereas political advisors, whose careers are dependant on that of the politicians they serve, should focus heavily on such matters.

I also believe that Dunstan was correct in his view that public servants should be responsive to the political agenda set by government. Professional public servants should provide non-partisan advice but they should do so, entirely appropriately, in a manner that takes account of the political directions set by the elected government of the day. It is for that very reason that they should be able to serve with equal ability successive administrations of different political persuasions.

In short I do not see Dunstan’s time as Premier as the beginning of the end for an apolitical public administration. Even the controversial introduction of term appointments, which are now the basis on which non-permanent Secretaries in the APS operate, has not undermined (as far as I can see) the willingness to provide non-partisan advice. My strong impression, confirmed by independent surveys, is that Secretaries do not feel intimidated by being appointed for 3-5 years. Independence, I surmise, is a matter of character not contract.

Only on one score do I think that Dunstan got it wrong. He wanted to have a small coterie around him who he could trust to advise him, who were sympathetic to his political goals and who could be relied upon to execute his decisions faithfully. To accomplish this he sought to appoint not only non-public service advisers but to choose those public servants appointed to senior ranks in his department, the Public Service Board and more widely across the South Australian Public Service. The danger in this approach is that the essential distinction between public servant and political adviser becomes
blurred. No matter how well qualified, the public servant appointed at least in part on the basis of political persuasion is placed in an ambiguous position within the public service. 35

It is for this reason that I argue that Dunstan only got it 'by and large' correct. I think it better to make a clear distinct between the two roles. Today in the APS the public servant and political adviser are physically separated (in a department and a Ministerial office respectively) and employed under separate legislation (the Public Service Act for the former, the Members of Parliament (Staff) Act for the latter). They need to work closely but to understand clearly the bases of their different responsibilities. The heads of the public service are selected by the Prime Minister but on the advice of the Secretary of his department, after consultation with the relevant Minister. His Secretary, in turn, is selected taking into account the advice of the Public Service Commissioner. 36

Since Dunstan's heyday Parliamentarians, public servants, academics and journalists have been bemoaning the alleged politicisation of State and Federal public servants. The bells are tolled regularly for the end of the Westminster tradition. The obituaries are premature.

Public services have changed, in many ways as Dunstan envisaged, and much of it for the better: devolved management, a focus on achieving results, flatter structures, less hierarchy and greater diversity of leadership selected on merit have together contributed not only to improved performance but a more dynamic workplace. The development of policy is increasingly contested not only by political advisers but by research institutions, think tanks and advocacy organisations. The delivery of services is market tested and, very often, outsourced. The job has become more challenging and, I believe, more rewarding.

'Politicisation' remains an ill-defined term, much bandied around, to suggest the relative disempowerment of public servants in relation to their political masters. It fails to comprehend the necessary ambiguity and tensions between political will and public service that lie at the heart of the Westminster tradition – the requirement, most notably, to balance responsiveness to government with fearlessness in the advice provided, and the need to deliver with commitment even those government policies against which the public service behind closed doors fearlessly argued.

The dim-distant memories of the troubled relationship between Don Dunstan and the South Australian Public Service are worth revisiting. History is not necessarily a different place. The way they did things then, while different, can help us to understand the issues that are with us now. I hope they have.

35 Warhurst, op. cit., p. 188 is correct in identifying that it is on this issue that "the record of the Dunstan government is most vulnerable".
36 However unfortunate, when there is an irreconcilable breakdown in trust between the Minister and the Secretary, such that they cannot work together effectively, it is the Secretary who generally must be removed from the job.