

The Robert Garran Memorial Oration

Public Administration — Whither?

Delivered by Sir Henry Bland, C.B.E., former Secretary of the Department of Defence — at the 1973 National Conference of the Australian Regional Groups, Royal Institute of Public Administration held in Canberra on 17 November 1975.

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It is a great privilege and honour to have been invited to deliver this the sixteenth Sir Robert Garran Oration. No particular tribute of mine will add to the late Sir Robert's illustrious stature. Yet I must say that a special awe presses on me, as an ex Permanent Head of nearly 20 years, when I recall Sir Robert occupied his distinguished office for more than 30 years.

The rumination and reflection, characteristic of advancing years, have, in my own case, been by some years of reasonably extensive involvement in the affairs of industry and commerce and a series of inquiries for the Australian and Victorian Governments into some major aspects of public administration.

Thus, there have been opportunities to observe the bureaucrats of industry and commerce. The inquiries, necessarily of an investigative character, have required the study of several bee hives — a vastly different thing from being just a bee. And these inquiries have extended to discussions overseas, in recent months, with Ministers and officials and businessmen engaged in or associated with public administration.

As a consequence, I am left with rather more than the disquiet about public administration that might normally be attributed to advancing years.

This will, in part, explain the difficulty I had in choosing a title for these remarks. When some eight months ago, the title *Public Administration — Whither?* occurred as offering a canvas larger than that taken up by Blue Poles I was troubled as to how the last word should be spelled. Rightly or wrongly I settled for including two "h's", not just one. I had no vision eight months ago of the lamentable events of the last few months.

That public administration should be efficient, no one would dispute. Its very ramifications and its great cost suffice to support the proposition.

Judged by the number of inquiries set up to examine Public Services, one would conclude that governments here and overseas were intensely interested in the efficiency of public administration.

The stimulus for some of these inquiries has been a view uninformed as I will show — that Public Services should be as efficient as industry and commerce. In some cases, Ministers have been moved by irritated dissatisfaction with specific aspects of a Public Service. In some cases, the circumstances were like those so often the reason for bringing management consultants into a company: what needed doing was clear but an inquiry was resorted to give an aura of independent assessment. Rather less objective reasons have motivated other inquiries.

The cynical observer might propound the theorem that the positive responses of governments to inquiries' recommendations are in inverse ratio to the impact their adoption would have on Ministers themselves. And piquantly note two phenomena. First, however keen Ministers may be to have Public Services investigated, they are singularly reluctant to subject their own qualities and behaviour to critical review. And second, their similar reluctance to do anything to increase the probability that political processes will produce Ministers better equipped to discharge their roles in the overall functioning of public administration.

What of the public concern? Apathy and general lack of interest are, I suggest, normally the rule. True the newspapers may take up ephemerally some case of alleged maladministration. Some body like CEDA or the Institute of Public Affairs in Victoria may take up some aspect of public administration. But no organisation, broad based in its membership, directs itself continuously to the standard, quality and efficiency of public

administration. Maybe it's a product of our system where the public servant traditionally adopts a low posture publicly and where corruption in the Public Service is virtually unknown.

My interest this evening is with public administration — not only with the public services. So my concern is not merely with the processes of executing and administering decrees — whether of Parliament, Cabinet or a Minister — but with the processes that involve Ministers.

Can public administration ever be efficient?

My major concern is whether it is a delusion that public administration can ever be efficient.

My doubts are not with the mechanics. By and large, the higher machinery of government in Australia is these days better organised and equipped to take decisions. The very growth of government, the burgeoning of departments and agencies, the need for strategic planning, coordination of programmes and policies, and consistency of decisions have compelled greater order.

So Cabinet secretariats have been established and rules laid down about the content of Cabinet submissions. So Prime Ministers' and Premiers' Departments have assumed the roles of analysing proposals in submissions — for their implications, for the availability of better alternatives, for their forward costs, for their consistency with other decisions, for their contribution to total government objectives — all of this, detached from the commitments of their proponents. So there are Standing Committees of Cabinet to permit greater in depth study of relevant documentation.

Yet the higher machinery still makes totally inadequate provision for dealing with organisational matters.

Great strides have also been made in mechanical processing, with equipment and with the E.D.P. Measured by the conventional yardstick of productivity, efficiency in these areas is vastly improved.

The question whether public administration can ever be efficient goes to its innate character and the circumstances that enmesh those engaged in public administration. I have no need to elaborate the first aspect; others have done so.

But I am reminded of the recent *cri de coeur* of the Chairman of British Rail, himself a former Labour Minister of Transport. Addressing the politicians, he said "Do not force upon us policies which we say will be a disaster and then hold us accountable for the results... It is superficial nonsense for people who have never managed a whelk stall to brush away nationalised industries' problems with snide references to inefficient management".

Masses of words have sought to explain why a Public Service can't be as efficient as a business enterprise.

Many who have studied Public Services have emphasised the importance of accountability. They have often resorted to moral responsibility. They have often tried to import, as equally applicable to Public Services, techniques like work measurement, sectional and programme budgeting, management accounting, inter company comparisons, intra company charges for services and so on. All of this is generally set in the context that heads of departments and agencies should be freer from traditional Public Service Board and Treasury controls and have greater scope for managerial innovation.

Of course, these various techniques have a place in Public Services, more so in some departments than others.

But the assumption, altogether unwarranted, is that managers in a Public Service are to be equated with managers in the private sector.

To start with, managers in a Public Service are not subject to the compulsions of a final figure in a profit and loss statement or the return on funds employed that press on managers in the private sector. And they are not subject to the sanctions that are visited on unsatisfactory private sector performers.

In business, these figures have a compelling discipline. They demand carefully formulated objectives, goals and targets. They require the earning of income and support expenditure. They demand the discarding of unprofitable ventures. They determine organisational style and relationships with suppliers and consumers. They carry sanctions of immediate consequence to the manager who does not measure up.

The nearest approach one gets to such a discipline in the area of public administration is in some statutory trading corporations. Even there, rare indeed is the individual who has paid the price of regular losses. Maybe justifiably so, remembering that rarely could responsibility for the final figure in a profit and loss statement of a statutory trading corporation be reasonably fixed squarely on a manager.

The Public Service manager does not have to think of earning income before he takes decisions involving expenditure. He not only operates a monopoly: he has an assurance of funds, the product of requests to the Treasury based on what he feels his department deserves or is entitled to, with, if he manages a department enjoying public support or with a politically powerful Minister, the sublime confidence that if his decisions lead to overspending, the supplementary funds will be found.

Just to encourage this irresponsibility, never a Cabinet meeting passes without new expenditure decisions. So national and State budgets have no stability.

The Public Service manager is under no compulsion to weigh the benefits against the costs of doing this or that or the costs and consequences to clients of various levels of standards of service.

So the Public Service manager does not have to count the costs of staff required, of acquiring splendidly superior equipment or occupying elaborately furnished and expensive office space. His future is not at risk. Rather may he see himself or be judged to be more important because he runs a bigger and more elaborate department or section of one.

By contrast, in business, the ever present constraint is to spend nothing — on staff, equipment, office space, transport or anything else — nothing that will not clearly lead to a better final figure in the profit and loss statement. Which is not to deny that there is flabbiness and fat in business and that recessions have the useful purpose of squeezing it out.

It is left to the odd Parkinson to underline the empire building trait, so highly developed among public administrators and also, I hasten to add, among managers of service sections of private corporations — a trait associated with the absence of a profit and loss statement specifically applicable to them. Resigned amusement is the response of the onlooker to those, who taking advantage of the political strengths of particular Ministers, set about amassing staffs so that they may embark on everything they can conceivably assert to be within their sphere of interest and, in the course, overlap and duplicate the proper functions of other departments or agencies, including, in the Commonwealth's case, those of State departments and agencies.

Because the national revenues are now counted in billions, expenditure of millions becomes of no account. There is no noticeable reaction when the Post Office spends large sums to collect a few cents on incorrectly stamped items or when social security overpayments are made for inability to organise computer applications — an inability which, in a bank or any large private undertaking, could quickly land it in the hands of the receiver.

Plausible arguments based on the attainment or maintenance of departmentally determined standards of service are not treated with the pragmatic scepticism of those accustomed to strap hanging in peak hour transport or waiting for hours for tickets for football finals or pop concerts.

It is taken for granted that Ministers are entitled to demand the answers to complex problems by tomorrow, and preferably yesterday. And that the efficiency of an agency is to be measured by the fewness of complaint about the service it provides, by the speed with which Parliamentary questions directed to its Minister are answered, and by the size of delegations it sends to meetings. All of these manifestations are, *prima facie*, indicative of overstaffing.

I find it quaint that those professing the importance of accountability in Public Services shy away from the question of disposing of poor performers.

Any head of a department or agency worth his salt knows that such people exist, realises the cost to the community when they are in key posts, knows their effect on staff associated with them and could, without difficulty, document an unassailable case for disposing of them. Precise measures of performance are not required. Such is the very nature of most departments and agencies that no tangible and satisfactory substitute for the profit and loss figure can be found to measure performance.

Disposal of poor performers can take many forms. The Public Service Acts are no barrier. Most needed is intestinal fortitude in Permanent Heads and Public Service Boards.

Efficiency in Public Services, and public respect for them would get a tremendous fillip if they would deal effectively with poor performers, with those who do not measure up or have lost their cutting edge. And I do not exclude heads of departments and agencies. I understand that the Victorian Board of Inquiry has returned to this subject in its final report.

Not for a moment am I saying that all public administrators are in the same mould. It is not for argument that some, despite the absence of the discipline of the profit and loss statement, are just as devoted to running a tight organisation, just as cost conscious as the best of private sector managers.

My worry is that the qualities that motivate such officials are susceptible to erosion. Whether they are eroded and the speed of erosion heavily depend on the attitudes and behaviour of Ministers, and principally of Heads of Governments. Upon the latter depend, in large measure, the response and morale of the administrators.

Enormous efforts are devoted by Public Services to training and to the improvement of managerial skills to secure the optimum performance from a department, an agency, or a section of it. Whether the results have justified the effort and the cost has often puzzled me and I found similar scepticism overseas.

Never is enough emphasis given to attaching a cost tag to each possible decision.

And how much effort is devoted to questioning the justification for a department, agency, or section, or the essentiality of each of its activities or the worth of benefits provided against their costs, or whether this or that activity should be terminated?

To put what I have been saying another way, the Public Services train managers to do everything but manage their own propensity to apply the plausible test of desirability to a matter under decision that involves spending taxpayers money rather than the more rigorous test of essentiality, let alone the tests they apply to decisions about spending their own money.

The role of Public Service Boards

To me, the basic test every administrator must apply to decisions that will cost money is the essentiality to the administration of a decree of Parliament, Cabinet or a Minister of what is proposed to be done. As one for many years a Permanent Head and for longer years as an observer of heads of departments and agencies, I say quite emphatically: it cannot be left solely to them to determine that essentiality.

Throughout Australia the creation of positions in the Public Service depends on Public Service Boards. It is on such Boards that the community must rely to verify the essentiality of work for which a department seeks staff. They are the last bastions for the community's protection.

I suspect that for years now the reviewing role of Boards has been effectively exercised at State level. Funds availability has forced State Boards and Treasuries to frustrate the normal propensities of departmental heads.

If I have any complaint about the Australian Public Service Board, it is that it has, over the years, misconceived the respective roles of itself and Permanent Heads and given insufficient weight to its own statutory responsibilities.

Under the well known Section 17, its responsibility is for effecting economies and promoting efficiency in the management and working of departments. This is an essential element of its custodial responsibility to the community for the Service as a whole.

The Board is directed to limit staffs to actual requirements — not to what a Permanent Head asserts them to be — and to check whether the return for expenditure is adequate and whether any inefficiency or lack of economy exists in departments. By contrast, the Permanent Head is responsible for managing such resources as he is given.

I suggest that the Board has taken insufficient account of the fundamental differences in management responsibilities in the public and private sector. In its philosophic attachment to building up the managerial role of Permanent Heads, it has, I suggest, made the fatal mistake of overlooking that heads of departments and agencies are not, in relation to expenditure decisions, and therefore staffing proposals, not probed deeply enough

the essentiality of activities for which staff has been sought; has given insufficient weight to the demonstrated differences in the managerial competence and traits of individual Permanent Heads; has not often enough run the reviewing rule over departments or intervened when it could not but be aware of management deficiencies. And, as well, the Board has been insufficiently concerned with the quality and development of those in the higher echelons of the Public Service.

It is a glib solution that a department or agency should be given a one line vote in the Estimates and made to live within it. The determination of its quantum would require the same type of review that Public Service Boards and Treasuries now should be making. In any event, it cannot be left to the departments to determine their own expenditure priorities: each department is part only of the apparatus of government and priorities are the affair of Governments.

It makes no sense to allow departments to decide their own staff needs subject to ex post facto audit by Public Service Boards.

Not for a moment, as I say this, am I suggesting that there should be a stereotype matrix of departmental organisation or that Permanent Heads should not have the maximum flexibility in their staffing proposals.

It equally makes no sense to constitute some new agency to review departmental efficiency or performance. Public Service Boards, Treasuries and Auditors-General are already at hand to do what's needed. Prime responsibility must lie with the Boards — the tests they should apply to review of existing staffs are precisely those to be applied to examination of proposals for new staff. To constitute some new agency to act as the watchdog of Public Service efficiency would be to sever from Public Service Boards an inseverable function — at the usual cost of more overlap of activities, more staff, more accommodation, equipment and so on.

The role of Cabinets and Ministers

Public Service Boards depend, for their effectiveness, on the support and backing they get from Governments and essentially from Heads of Governments. Regrettably, the Canberra situation of the last three years or so, that support and backing have often been conspicuous by their absence: indeed denigration has not been unknown. This should not be forgotten by any critic disposed to assert that the Australian Board has been too responsive to staffing proposals.

One cannot generally hope that a Minister will exercise any critical restraining influence over his department's staff expansion. More likely to happen is that the Permanent Head will represent his requests for staff as required to meet his Minister's alleged wishes. Yet the Permanent Head is not a free agent. No office can be created unless the Minister put his name to a recommendation to the Executive Council. That's when, if not earlier, the Minister has his opportunity to ask pertinent questions. His is the responsibility if he doesn't ask them. And nothing must be done that enables him to escape that responsibility.

Just as Ministers should be profoundly concerned with the administration of their own departments and agencies, so must Cabinets with the overall organisation of administration and its quality. It should be they who define the purposes and objectives of departments, the priorities to be accorded those objectives, the goals and targets to be attained and the relevant time frames. It should be they who require strict attention to benefits/costs in relation to any proposed activity and who insist on effective machinery to monitor performance, to avoid overlap and duplication of activity, and to question the continuing justification of programmes.

There might be greater optimism about the future of public administration, if a small Administrative Committee of Cabinet were responsible for matters concerning the overall administrative organisation, the creation of new departments and agencies, the definition and distribution of functions, senior appointments, performance of departments and agencies and their heads, and the continued justification for activities. Such a Committee should be composed of the Head of Government and Ministers with the best claims to relevant experience. It should be serviced by the Public Service Board, the Auditor-General and Treasury.

The quality of public administration and the motivation of senior administrators depend heavily on sensible political behaviour. I make bold to suggest that politics, as now played, make efficient administration almost impossible.

Consider the disposition to instant decisions. The activists have learned that the speed and character of the response of Ministers and Governments are in direct ratio to the loudness of the noises they make, not to their numbers nor to the quality of their arguments. Because the time for analysis is telescoped, the implications of what is protested may not be fully exposed. Resources are assigned to the prejudice of more worthy causes. Like it or not, every decision does something to foreclose later decisions.

An associated problem stems from the compulsive anxiety of our political leaders around Australia, some more than others, to project themselves to the news media. The effect on public administration of these so often off the cuff pronouncements is not to be minimised. They can seriously influence departmental attitudes and advice. They may lead to Cabinet decisions that might not have been taken — simply to avoid loss of face.

Two other disturbing developments of recent years deserve notice. Not only has there gone some consensus among political parties on major broad issues of national policy; political parties when in Opposition throw overboard the very policies they expounded in Government. And Oppositions tend to oppose almost as a matter of course.

No senior administrator can be otherwise than sensitive of political thought and attitudes. He must take them into account in advising his Minister and in administering his department or agency. But if parties are at war on issues of national importance and policy is to change chameleon-like at short intervals, there lacks that stability of objective and purpose without which no administrator can function successfully.

Next, most organisations work to conventions — none more so than the organs of public administration. Among the many that have taken a battering in Canberra in recent years, I mention two only — the rule that Ministers don't publicly attack public servants and the doctrine of Cabinet's collective responsibility.

So Ministers have been in contention among themselves and have been very ready to buy into colleagues' affairs. I am not this evening interested in the effect of this Babylonian cacophony on the confidence of businessmen. I am concerned because the disease of Ministerial discord is terribly contagious and spreads to departments and agencies. Fortunately, there are some signs that the dangers have been recognised.

The discord in Commonwealth/State relations has considerable implications for the efficiency of public administration. Centripetalism, while not new, has been mightily accelerated. The Australian Government aggrandises its own Public Service regardless of whether the States could handle a particular function equally as well, if not better. It professes an anxiety for cooperation with the States and to be surprised by their rebuffs. It appears oblivious to the fact that common ground on the character of our federal system, appropriate to this day and age, and confidence in the States that there will be consistency of Commonwealth action are preconditions to Commonwealth/State cooperation. The political wrangling is reflected in official relationships. Where otherwise there would be harmony, suspicion and reserve have crept in.

And in the Commonwealth sphere, one can only guess at the price public administration has paid for chopping and changing of departments and their functions, not to mention the montage of ministerial procession through some departments. I forbear to mention other matters of even greater moment.

The Place of Ministers in Public Administration

I shall dwell a little longer on the place of Ministers in public administration.

Ministers have a series of roles. First to administer their departments — this includes initiating and considering proposed policies and programmes, setting goals and objectives, questioning departmental activities or staffing proposals, monitoring performance, and taking up with Public Service Boards any disquiet about the competence of their senior advisors, availability of adequate successors and so on. Second, to represent their departments in Parliament and elsewhere. Third, to explain and sell policy to their Party and the electorate. And fourth, to attend to their constituents. These roles call for uncommon characteristics and qualities. They are heavily demanding, especially in key portfolios and where Ministers have the misfortune to hold marginal seats. And, to be added lamentably, rarely are they all effectively discharged.

Choice of Ministers is limited to Members who happen to be in the Government Party. Party organisations are not noteworthy for the attention to given to selecting for safe seats potential ministerial material. In some cases, and

not confined to labour parties, the choice available to the Head of Government is limited by the Caucus system. And with coalitions, there are problems of distributing portfolios and, in the case of the Commonwealth, ensuring adequate representation of all States. Whatever they do in turning out politically adept Ministers, the prospect of these constraints producing administratively capable Ministers is daunting and depressing.

To look through Parliamentary handbooks and like source material is to be immediately struck by the rare appearance of Ministers with top level management experience. So Cabinets rarely have members and departments Ministers who have the attributes of organisation men and, therefore, a lively interest in efficiency in administration.

Unlike the British, we do little to train Ministers. Assigning Ministers to less important portfolios is not enough: it certainly does not conceal the hapless tailenders, ubiquitous among all Ministries in this country. We see appointments of Ministers with little apprenticeship in the niceties of the parliamentary process and with little demonstrated awareness of the rudiments of public administration.

All new Members are extensively instructed on taxation matters and pension entitlements. In Canberra and most States, newly appointed Ministers are formally told about the way Cabinet's business is conducted.

What Ministers are not instructed in are the rudiments of their various roles and responsibilities, the proprieties to be expected of them in the conduct of the affairs of government and of their own private offices and their relationships with their departments and with their colleagues and other departments. Nor are they advised of the roles of Permanent Heads or of Public Service Boards vis a vis departments or the processes applicable to the creation of offices or the appointment of Permanent Heads. Nor of their responsibilities in regard to expenditure. Ministers are simply left to fend for themselves. Some never begin to understand some of these matters. It is not surprising that the public glimpses from time to time strange examples of Ministerial behaviour.

The British practice is to present to each new Minister a statement covering many of the points I have mentioned. We should take a leaf out of the British book — in Canberra and in the States. In our case, the document should be much more extensive in its coverage — our Ministers need much more instruction.

It is in this setting that I remind you of some words Mr Whitlam uttered from this rostrum two years ago. He said "Ministers as individuals and the Cabinet as a whole must exercise real control over the Public Service and accept full responsibility for policy".

Later on in his Oration, he added:

"It is a perfectly objective statement to say that there have been notable cases in the past of a remarkable lack of Ministerial control over departments and over policy".

Now these statements strike me as an indictment of Ministers, their competence and capabilities — not of Public Services. For confirmation, consider some later statements and actions of Mr Whitlam — to do with some of his own Ministers.

Formally the Minister is the department. Without a Minister, there cannot be a department. Departmental staff are appointed under Public Service Acts to discharge the functions assigned to the Minister and only to offices whose creation the Minister has endorsed. The Permanent Head is the Minister's adviser and the manager of the department's staff.

And remember, Parliaments do not provide funds for Permanent Heads. Funds are provided for departments, i.e. the relevant Ministers.

The powers of a public servant stem from statute or delegation by his Minister. He sometimes has to take decisions for no other reason than that the Minister just is not available. But every decision he takes must be within a framework of determined policy, be it laid down in Statute or by Cabinet of the Minister, and be taken in the expectation that, if the Minister is seldom an initiator and rarely questions policy proposals put to him. It is the Minister who takes policy proposals to Cabinet, not a public servant. It is not, I hope, suggested that a Minister should not carry responsibility for failure to question the wisdom or viability of a proposed policy which, if adopted, lays him open to attack or criticism.

And surely a public servant is not to be denigrated or to risk vindictive reprisals if he has the courage to give sound and wise advice and to press this regardless of whether it may be disliked. Ministers are not obliged to accept advice; no Permanent Head can put a dissenting view to Cabinet. And if Ministers don't accept advice or decide their own course, the Public Service must loyally and faithfully give effect to the decisions communicated to it.

I am reminded of the Garran Oration of Sir Paul Hasluck, a Minister for many years and a senior public servant before that. Sir Paul said: "We need more Ministers who can match their advisers both to accept their advice wisely and to avoid a position where advice becomes a decision".

The "Ministerial staff system"

I am led to take up the "Ministerial staff system" introduced by Mr Whitlam. The reasons he advanced for this "system" in his Oration appear to fall under the following headings:

- greater help for Ministers in the development of new policy objectives;
- involving people outside departments and authorities;
- relief of departments from involvement in party-political matters;
- general support to Ministers.

Dr J. M. Anthony, until recently a Ministerial Private Secretary from outside the Service, provided some elaboration in a paper presented to a seminar in this city. He said "The Public Service constantly acts in such a way as to achieve a usurpation of Ministerial power. In order to strengthen the hand of Ministers in dealing with the Public Service... the Labor Government introduced a new Ministerial staff system".

Let me make myself quite clear. My interest in the Ministerial staff system is confined to advisers from outside the Public Service and among them, I do not include press secretaries and PR men.

At the recent Jamaica Commonwealth Conference, the British Prime Minister had something to say about Ministerial staff in Britain. He gave two reasons — the pressure of work on Ministers and the nature of the Civil Service: the latter was impartial which gave it continuity and stability; yet senior civil servants could be too isolated from changes in society. So, said Mr Wilson, he had authorized Ministers to appoint political advisers and there were 30 odd spread around 15 departments. They examined papers going to Ministers — drawing attention to difficulties, especially those having party political implications or electoral considerations. As "devillers" they chased up Ministerial wishes, keeping in touch with outside interest groups and doing speech writing and research. They were more politically committed and aware than the Civil Service neutrals.

Do please note the control Mr Wilson exercised over the appointment of outside advisers: 30 odd spread over only 15 departments.

In Canberra, two glosses have been applied to the "Ministerial staff system". First that it was to counteract the alleged exclusivity of Minister/departmental office relationships and second, it was to constitute a sort of "countervailing force" against the Minister's department.

This latter point rests on a false premise — that a Minister, thought responsible for administering his department, and technically the department, should stand at arms length — and desirably further than that — from his departmental officers. In simple terms, a department consists of a Minister, a Permanent Head and its staff: each has different functions but they are complementary and directed to a common purpose.

As to the other point, could it ever be said of any of our Australian Public Services that they were the exclusive sources of advice to Ministers? In the Commonwealth sphere, perhaps least of all! For no other reason than that for most of the year, Ministers are away from Canberra — engaged in a kaleidoscope of activities and susceptible to a range of advice, suggestions and complaints — from parties, electors, businessmen, trade unionist, pressure groups and so on. And that even when in Canberra, many Ministers probably devote more time to political issues, party meetings, discussion with Members and receiving deputations — not to mention their public relations

image — than to dialogue with their departmental officers and to departmental papers. For some, this may be inescapable as Ministries are presently composed.

While the Prime Minister refrained from mentioning the matter in his Oration, Dr Anthony in his paper said that:

“The new system was probably motivated to some extent by an understandable distrust of an important and powerful section of the bureaucracy which has worked closely with a series of... governments... for 23 years”.

As to this alleged distrust, two points might be noted. First, less than one half of the Ministerial staff positions has been filled by persons from outside the Service. And second, during the present Government’s Regime there have been just on thirty Permanent Head appointments — a fair proportion resulting from changes in departments. Yet, of all these appointments, only five were from outside the Service — including one each from the Canadian and the N.S.W. Services. And allegations of “political” appointments have only been raised about three of the thirty odd.

There is little difficulty in understanding the observations the Prime Minister and Dr Anthony made — if you recall my comments of a few minutes ago about ministerial talent and the lack of training for ministerial duties and, if you know Canberra.

In Canberra, in place of ministerial identification with departments a ‘We’ ‘They’ attitude is not unknown. Go into some Ministers’ private offices and you will hear of “the department” as though it were something apart from the Minister. This is no new phenomenon.

Is this really surprising, when only rarely do Ministers work in their departments? Many probably do not know where their departments are housed, and probably 99% of departmental officers have never seen, let alone met, their Ministers. In Canberra, Ministers work in Parliament House, surrounded by their personal staffs. They go to Canberra at the last possible moment in each week, even when Parliament is sitting, and leave at the first — from and to their home base. And there, some Ministers don’t want to be disturbed by their departmental officers and sometimes could not be found if they were sought.

Not merely are Ministers detached from their departments: knowing few of the senior staff, they have no opportunity for discovering the differing attitudes that exist in any healthy department. Even when Ministers are in Canberra, a continuing problem for Permanent Heads and senior staff is to manage uninterrupted discussions of problems or papers. So there lacks that continuing dialogue between departmental officers and the Minister upon which the effective working of a department depends.

The consequences for the quality of administration are many.

Too often, there is a chasm between Minister and department. Too often, difficult problems get put aside. Too often, departments are expected to keep the paper down and files away. Too often, departments do not expose alternative courses: sometimes because unhappily they have learned that Ministers don’t wish to be faced with having to weigh alternatives but instead want complex issues reduced to a simply exposed recommendation which can be noted ‘Yes’ or ‘no’.

Is it any wonder that, in these circumstances, departmental officer have to cosset Ministers to protect them and their department’s reputation? Of course some Ministers have been virtually the rubber stamp of their departments. No department worth its salt relishes such a situation. But the work of a department must go on.

Fortunately my picture is not descriptive of all Ministers. Very far from it! That it may be justly sketched at all is not reflection on Permanent Heads and departmental staff. The remedy is not to be found in appointing Ministerial personal advisers.

Fortunately in the States, Ministers do work in their departments and the longer breaks between Parliamentary Sessions provide reliefs from the day to day political pressures.

Other reasons support the concept of outside advisers.

It cannot be assumed that a Minister will be technically well versed in the affairs of his portfolio, any more than it should be taken for granted that the Permanent Head of a professional or technical department must be well versed in the discipline most relevant to the department’s work. Indeed, there are powerful arguments to the contrary.

Because a Minister may not be technically well versed does not mean that he is incapable of probing advice tendered by his department's officers or the character, nature and essentiality of its activities. But some Ministers would be helped if someone outside the departmental ethos were at hand with a broadly based expertise who, in detached and analytical fashion, could take a departmental memorandum or file and identify the implications, alternatives, consequences and other considerations that may not have been taken into account or the questions that should be asked.

No department has a monopoly of wisdom and good sense. None worth its salt will be resentful of an outside adviser's critical commentary provided he has its respect and conducts himself as a collaborative contributor searching for the best solution and therefore ready to test his views in dialogue with departmental officers. His should be a particular relationship with the Minister, but not one of primacy. His must be just one more input. He obviously must be without preconceived notions about the Public Service and without esoteric ideas about "countervailing forces" or attitudes that he plus the Minister are the "We's" and the Permanent Head and his staff the "They's".

An outside adviser of the character adumbrated might contribute a particular political or electoral input. He might be the means of discovering more acceptable alternatives or more saleable forms of presentation. And the means of bridging the gap between long term policies which generally are the concern of departments and the short term considerations generally uppermost in Ministers minds.

An outsider adviser might usefully serve as an extension of the Minister himself, as his alter ego, in given purely party political situations, as expounder of the Minister's policies and how they are or will be administered by his department. He might sometimes have a role as a trouble shooter or as an intermediary where the use of departmental officers would be resented, or be inappropriate, or they lack the necessary skills and personal associations. Use of an adviser in these roles should free a Minister to give more time to his departmental affairs. And departmental officers would be helped by a feedback of intelligence gained by the adviser.

There would be far greater likelihood of effective dialogue and proper relationships among Ministers, departmental officers and outside advisers if the latter had their offices in departments. Which, I add, should equally be the home of Ministers, except when they must be in Parliament House.

For reasons which I will come to in a moment, Ministerial advisers in Canberra, should not be drawn from Canberra. Their numbers should be strictly limited and I would argue that they should not stay with their Ministers too long. They would lose much of their value if absorbed by the departmental ethos.

People who would measure up to the specifications I have shortly described are hard to come by. It is evident that choices to date have not uniformly been wise.

The mistake made in Canberra was, I suggest, not to define the roles and functions of advisers and their relationships with the total department. This was left to individual Ministers, with predictable results.

I would myself hope that the Ministerial adviser system becomes a continuing feature of public administration in Australia. But clearly the roles of personal advisers, their numbers, the qualities and attributes they should have, the method of their selection and their place as an integral part of the Minister, Permanent Head and staff totality must be definitively laid down by the Head of Government and be of common application.

One would hope that concurrently the quality of the administering role of Ministers might be improved. The Assistant Minister device is one that might be more widely resorted to. In the Commonwealth sphere, constitutional problems can be met with portfolios like Special Minister of State with the holder assisting some other Minister. Senior Ministers in critical departments must have more time to devote to their departmental affairs. We certainly don't need more Ministers. And there are already too many departments and agencies both in the Commonwealth and State jurisdictions.

Meantime, let any disposed to attack Public Services for their alleged inefficiency, look first to discern whether in fact the target should be Ministers.

The Public Service/community communications gap

There has been a deal of discussion about the communications gap between Canberra and the rest of Australia.

If I had once thought that Canberra was sui generis for its insulation from the rest of Australia, time in Ottawa and London suggested that it is not all that unique. You will recall that the Fulton Committee remarked "there is not enough contact between the Service and the rest of the country. There is not enough awareness of how the world outside Whitehall works, how government policies will affect it". More recently, an ex Permanent Secretary to the British Treasury unburdened himself - "one problem with the Treasury is that it does not deal directly with the outside world very much".

I have the same disquiet at the gulf that exists in Australia at the State level — between the public administrators and businessmen and the community generally.

Canberra does, however, present some special problems.

The communication gap is no recent phenomenon. But it threatens to grow worse. There have now been two generations of inbreeding in Canberra. Few recruits from beyond its boundaries can resist its siren songs. There is an incestuous quality about it.

It would not have surprised me if a reason for the Ministerial staff system had been the incoming Government's concern to compensate for Canberra's insulation from the rest of Australia — except of course, the N.S.W. South Coast.

No department can do its job properly, in this day and age when Governments stretch their tentacles ever more deeply into the everyday affairs of the citizen and into the regulation and monitoring of industry and commerce down to minute details, unless it is on intimate terms with the problems of industry and commerce and knowledgeable of, and sensitive to, social trends, community aspirations and minority attitudes and motivations.

This is not to be had in Canberra. Senior officers ought to get out of the place: get into factories and mines, businessmen's office, trade union offices, public transport, to discover and try to understand the problems, the trends, the aspirations, the attitudes and the motivations.

When businessmen go to Canberra their motives are suspect. There is even some intellectual arrogance that clouds the attitudes of academically highly qualified officials.

Canberra has fallen into the habit of concentrating on macrosituations and data. One does not have a leave a Canberra desk to analyse cold, if outdated statistical aggregates. Yet, what is happening in the microsituation, what may be decided or be occurring in one small segment of industry or commerce may, for the key importance of its ramifications, so often provide the first warning signals of troubles ahead and point to the need for detailed enquiry and policy adjustments.

Closing the communication gap is the more critical because we have not developed techniques for bringing into key positions in the Public Services people with high level experience in industry and commerce, whether on a permanent or exchange basis. These has been much lateral recruitment but with rare exceptions, it is from other Public Services, from academia — mostly young inexperienced graduates — and from professional and technical areas. Such movement as has occurred has been to, rather than from, industry and commerce.

The problem is accentuated the further government intrudes upon the workings of business and commerce and because regulatory and investigative bodies are so heavily staffed by newly graduated neophytes and lawyers with no practical acquaintance with the realities of the business world.

The Australian emulative and imitative habit — in a word, the bower bird habit — sharpens the problem. How often have we seen public servants and Ministers, without any experience of business and commerce, attracted by devices and programmes that may overseas meet local requirements — sometimes to less than universal satisfaction — and set about transplanting them here? Narrowly oriented, these searchers do not stop to study the culture in which the devices and programmes operate and whether that culture differs from ours — as is generally the case.

Nobody could object to our scouring the world for ideas but needed are Australian devised solutions to meet Australian problems. It would be a practical application of participatory democracy — and one to be applauded — if people intimately involved outside the Public Service were included in the hunt for solutions or at least given the opportunity to apply their expertise by way of commentary on proposed solutions. Capacity for confidentiality and secrecy are not the preserves of the bureaucracy, not to mention Ministers' offices.

Some departments have committees of outsiders to advise them. Other departments dismiss these as organised pressure groups. Doubtless they are sometimes used to further departmental ambitions.

Somehow the communication gap between Canberra and the rest of Australia must be closed. And much the same applies to State Public Services.

It will not be closed simply by including businessmen and others in government Advisory Committees or Inquiries or in ad hoc bodies. As well as senior officials getting out and around and more businessmen and others getting to see officials, there seems a place for a regular two or three day residential meeting of heads of departments with major responsibilities in the economic, trade, labour and rural fields and leaders of business from the major sectors of the economy where there can be an uninhibited, unattributed exchange of views.

If there is not an end to the Public Services' insulation from the communities they exist to serve, the justification for some supplement to the normal Public Services may well become more evident. As matters stand, I would see the Ministerial staff system as one means of bridging the gap.

Some particular threats to the quality of public administration

A dedicated, objective, politically impartial and professional Public Service of quality and integrity, serving equally loyally successive Governments is a vital element in our political/administrative system. No differently from the chief executives of organisations in the private sector, Permanent Heads and agency heads mould and greatly influence, if not determine, the attitudes character and behaviour of their organisations.

A Permanent Head is powerfully placed to counsel his Minister against actions that might compromise these characteristics and qualities. Thus their maintenance depends heavily on Permanent Heads.

Permanent Heads must also have managerial and administrative talents of a high order and rigorously observe self imposed disciplines that substitute for those constrained by the profit and loss statement.

In the last few years, a number of things have happened in the Commonwealth sphere to cause disquiet as to whether these attributes of a Public Service and of Permanent Heads were under assault.

The first was the setting up by some young Turks in the year before the change of Government in 1972 of a network through the departments to provide intelligence in aid of the then Opposition of what was happening in the departments.

This was a new phenomenon in Australia: thoroughly distasteful, thoroughly dangerous. It had all the hallmarks of a process calculated to politicise the Public Service. It struck at the very roots of a Public Service committed to fearless and objective advice to the Government of the day.

Some happenings in recent months — e.g. suggestions of leakages of departmental papers — invited suspicions that something of the same sort might be developing again — this time in support of the opposite Parties. One can only hope that these suspicions are unfounded. There is no place for this sort of thing in any circumstances whatever.

A new and sinister twist was also given to the ever present, but fortunately generally dormant, problem of compatibility between Ministers and Permanent Head and heads of agencies.

Not to admit a problem here is foolish. But incompatibility is two sided: the problem may not be with the official but with the Minister. Certainly the official should be given a reasonable opportunity of demonstrating the traditional loyalty, impartiality, integrity and professionalism and the adaptability which are the hallmarks of such a person. Certainly the relationship should be considered on the Minister's side with fairness and calm dispassion.

There can be no case for displacement simply because a Permanent Head honestly and courageously presses advice, however unpalatable it may be. Nor place for public denigration, direct or inspired, of the hapless official.

Appointment of Permanent Heads

Next there has been the disquiet about the appointment of some Permanent Heads. There have been cries of “political” appointments and statements that such appointments would be reviewed. This threatens to accentuate the incompatibility issue. I shall say nothing about the merits of any of the appointment. History may demonstrate that each of the appointees acquits himself in a fashion beyond reproach.

What has happened should be the spur to appointment processes that prevent or certainly minimise a recurrence of the disquiet I have mentioned.

Basic principles of all our Public Services are that initial appointments (and promotions) should be determined by merit and open competition. It is odd that the legislation governing all our Public Services, which protects these precepts, stops short of doing so for the most critical of all appointments i.e. those of Permanent Heads.

It is difficult to justify this. I would be the first to uphold the rule that the Executive appoints Permanent Heads. But why should the Executive not be expected to follow selection and appointment processes which are seen to be fair and reasonable, and especially to aspirants in the Public Service, and are calculated to result in the best appointments? Why have a career Service, if the arbitrary whim of a Minister or a Government may deny the highest appointment to an eminently suitable and qualified public servant?

The time has come for some rules. And since Conventions have taken such a battering in recent times, the rules had better be legislatively backed.

Public Service Boards should have a major, but not a determining, role in these appointments. They have a custodial role in upholding the integrity and quality of their Services and should be well informed of likely candidates for any post. They should be required, where they conclude there are entirely suitable candidates in the Service, to submit to the Head of Government and relevant Minister a short list of three with supporting details in order of preference. And where the Boards have doubts about the suitability of Service candidates or consider none suitable, to advise that the post be advertised. In the later case, a high level committee should be established, including outsiders of eminence with experience relative to the post to be filled, to examine applications, interview candidates and report to the Head of Government and the relevant Minister, the three best candidates in order of preference.

Normally it would be expected that the Executive would make an appointment from these short lists. Conceivably there could be the odd case when, for example, a Government concluded it wanted someone who would respond only to the personal request of e.g. the Head of Government.

If a Government departed from the process outlined, it should be required to table its reasons and all relevant documents. Only in that case might an incoming Government legitimately be free to review an appointment. If the appointee in this odd case demonstrated, in the conduct of his office, that his was in fact a “political” appointment, and not a justifiable out of the process meritorious appointment, he would, more likely than not, anticipate the incoming Government’s review.

Conclusion

All is not well with public administration in this country. The shortcomings are not all attributable to our Public Services. Many of the ills that afflict public administration have their origins in the Ministerial ethos, in the attitudes and behaviour of Heads of Government and in the Parliaments themselves. Our Public Services have been subjected to intensive scrutiny: others involved in the totality of public administration have not.

Solutions are not easily to be found. In the case of Public Services, they are not to be found in adding new machinery, where existing machinery would be adequate, if properly used and effectively supported. They are not to be found in treating individual departments and agencies otherwise than as integral parts of the totality of the apparatus of government. They are not to be found in equating the heads of departments and agencies with the

managers of the private sector. There will be no satisfactory solution which does not increase the authority and responsibilities of Public Service Boards, Treasuries and Auditor-Generals and does not provide the support of active and informed Administrative Committees of Cabinets. And the chasm between public administration and those administered must be bridged.

Canberra presents some special problems. Some only of them are referable to events of the last three years. Others are more deep seated.

Somewhat gloomily, I suspect we have lost our way.

The path was delineated by the simple proposition that our institutions and laws depended on men and women behaving rationally, sensibly and responsibly. It was the smoother for the Conventions and practices that history has laboriously accumulated.

Now there are those who reject that simple proposition as incompatible with dissent, protest, change and reform. Equally electing not be bothered by history and principle, there is erratic and ignominious political behaviour, all around Australia, which elevates expediency to a pedestal not earlier accorded the gods. Then there are the many extensions of governmental activity into unfamiliar and uncharted fields.

If then we haven't lost our compass altogether, factors of the sorts just mentioned cause its headings to oscillate so alarmingly as to make doubtful its reliability. So we find ourselves deeper in the undergrowth.

A new path must be found. Bodies like this Royal Institute are ideally endowed to blaze that path. It will be a sorry outcome if most of the qualities and values and concomitant characteristics that marked the old path were missing from the new.

I recall for you Byron's pregnant lines — "A thousand years scarce serve to form a State. An hour may lay it in the dust..."