

Introduction

If you are a student with ambitions to reach the top in the Australian public service and today's department heads are any guide, there is no question about what subject you should be studying – economics. Thirty or more years ago a good general education might have done. Former lawyers, doctors, scientists or even teachers could be found in numbers in chief executive positions in the key portfolio departments. Today they are a rarity.

It is no surprise to find that the heads of Treasury, or the departments of Finance, or Industry Tourism and Resources are economists. But when one realises that the chief executives of the departments of Heritage and Environment, Agriculture, Fisheries and Forestry, Human Services and Veterans' Affairs are also economists one starts to wonder whether things have gone a little too far. This concern is heightened when it emerges that the head of the Department of the Prime Minister and Cabinet is an economic historian, the head of Communications Information Technology and the Arts has a family background in economics and the key part of her early career was in Treasury/Finance, and the head of Transport and Regional Development developed an early interest in economics and completed a diploma in the subject.

Contrast this with the bureaucracy in 1970. Defence was headed by Sir Henry Bland, a lawyer; Civil Aviation by Sir Donald Anderson, ex RAAF and a teacher; Education and Science by Sir Hugh Ennor, a biochemist; and Repatriation by Brigadier Sir Frederick Chilton, a lawyer/soldier. The Prime Minister's Department, External Affairs and the Treasury were headed by commerce or economics graduates as was Trade and Industry, but at Trade the economist, Sir Alan Westerman, was ready, willing and able to challenge Treasury views and often refused to sing the Treasury song.

The trend in economists dominating the public service was identified by Michael Pusey in his 1991 book, *Economic Rationalism in Canberra*. Pusey found that of 215 senior executive service officers in the key departments, 44 per cent had degrees in economics or commerce, or designated themselves as economists. He also found that those with an economics cum business background were more conservative than their counterparts with degrees in the other social sciences and humanities.

From the top 18 department heads I interviewed, I cannot say whether the economists are more or less conservative than the others. But the danger is that we have developed a like-minded class of politicians and senior bureaucrats. A time lag naturally occurs between the recruitment of staff and their promotion to the top jobs. Retired soldiers, sailors and air force men, recruited after 1945, dominated the service in the 1960s and 1970s. Today's department heads were

the middle ranking officers of 15 to 20 years ago when the dominant issues were economic.

The service was also significantly larger and different in composition in the post-war years with departments such as Postmaster-Generals, Works and Supply employing many people and directly involved in delivering services and building infrastructure.

In his 2004 Sir Roland Wilson lecture, the Head of the Department of the Prime Minister and Cabinet, Dr Peter Shergold, said there was a tendency to look back on the secretaries of the past with nostalgia, finding in them qualities which reflected badly on the contemporary incumbents. Shergold argued that today's public service leadership is subject to greater scrutiny than in the past and that the occasional failure of the public service did not indicate a conspiracy of politicisation. He maintained that the service should be more responsive to the Government of the day.

Shergold was responding to media criticism of the subservience of the service. Some of the criticism may have been unfair but there were also well informed internal critics of the direction in which the service had moved. A year earlier the Public Service Commissioner, Andrew Podger had pointed out that prime ministers Whitlam, Fraser, Hawke, Keating and Howard had all felt that the service was too slow to respond to their democratically determined authority. But he said the sustained increase in emphasis on responsiveness "must have increased the risk to our other obligations of being apolitical and openly accountable, as there is inevitably some tension between these obligations." He added, "We would be silly to deny this." On his retirement in 2005, Podger, who interestingly is a science honours graduate, repeated much the same comments.

Shergold maintains that the secretarial responsibility is well set out in the *Public Service Act* where it states 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." Shergold asserts that it is not sufficient for Secretaries to be frank and fearless in standing up to their ministers - equally important, and fundamental to their role, is that their advice be "responsive to the directions set by government and committed to the effective delivery of policy decisions taken by government." He said it was the Government alone which decided on national interest.

Today every senior bureaucrat hails whole-of-government policy development and program delivery. He, or she, can't get enough of co-operative and collegiate approaches. They will all assure you that they are nevertheless able to give frank and fearless advice. But the danger is that coming from such similar educational and cultural backgrounds, a group-think mentality, combined with an enthusiasm for co-operation, produces homogeneous policy.

All secretaries say, of course, that they welcome a variety of views. By the nature of government, alternative internal views are not publicised and policy paper leaks, revealing strongly opposing views, are rare. But what if there is a need to challenge? Take the decision to commit Australian troops to the Iraq war, for example. Public opposition to the war was strong and there were many well informed outsiders able to put a strong case against participation. But we have no evidence that such a case was argued internally. The publicly available evidence suggests that the key departments and agencies meekly took up the Prime Minister's intention to take Australia to war and managed the process on his behalf. A public servant who might disagree, such as Andrew Wilkie, had little option but to resign.

Similarly in Immigration the senior levels of the bureaucracy and the department itself took up with the anti-asylum-seeker populist culture that the Government found politically marketable in the late 1990s and earlier this decade. Today the head of Immigration, Andrew Metcalfe, who was brought in to reshape the department after the Rau and Solon deportation and detention debacles, but who also had a long association with the department in the period when the poor culture developed, says that clearly the department got some things very wrong.

He says that between 1999 and 2002 he had a strong sense of an organisation often in crisis management mode but he did not have a sense of the culture being wrong to the extent that events had since shown. Were there any internal voices challenging the culture? Despite the codes of practice which should enable staff to speak up, there is no public evidence to suggest there were dissenting internal voices.

The heads of the departments of Environment and Heritage and Agriculture, Fisheries and Forestry both proudly point to the co-operative relationship now employed to look after land and water management. This arrangement – developed by their economics-qualified predecessors, Roger Beale and Mike Taylor – followed years of acrimonious relationships in the late 1980s when the departments and their ministers were at loggerheads. Today Environment is headed by an economist, David Borthwick and DAFF is headed by another economist, Joanna Hewitt. This small fact does not mean that they must see every issues as economists might. Nor does it mean that they demand an economist's perspective from their department. But one cannot help wondering if, for example, a scientist trained in environmental issues might set the agenda for the Environment department in a slightly different way and whether this might produce a less cosy, but more beneficial outcome for Australia.

One might also ask if in the Department of Employment and Workplace Relations today there is genuine research going on to determine whether the new Workplace Relations legislation might create a new class of working poor in

Australia. And if a researcher were to reach such a conclusion would it be published?

One mantra that everyone in the service sings is the need to cut red tape. But this has not stopped the passage of 1000 pages of Workplace Relations legislation and the 400 pages of regulations that go with it.

While the Secretaries may have an over-representation of economists, their family backgrounds are more varied than one might expect. One surprising discovery was how many come from a non-urban background. Dr Ken Henry, head of Treasury is the son of a North Coast timber logger; Dr Peter Boxall, the head of the Department of Employment and Workplace Relations, grew up on a small farm in Victoria; Joanna Hewitt, head of Agriculture Fisheries and Forestry, is the daughter of a bank manager but lived in nearly every little town in Western Australia attending eight or nine rural schools; Mike Taylor, at Transport and Regional Services, claims a mixed upbringing in urban and rural Victoria; Andrew Metcalfe, head of Immigration grew up in Toowoomba; and even the Canberra identity, Jane Halton, the head of Health and Ageing, spent her primary years in a small English country village.

One possible explanation for the larger than expected number of people from country backgrounds at the top of the service is that it is a meritocracy, providing an opportunity for people without connections to gain promotion. The smaller number of *old-school-tie* bureaucrats today might also be explained by their shift to the more lucrative private sector, leaving government and Catholic school graduates to struggle up the service ladder.

One change which has occurred over the last couple of years to make the top echelons of the service more representative of the population is the appointment of some women to high level positions. Five of the top 18 are now women, not yet pro rata, but moving in the right direction and certainly a dramatic improvement from the 1970s and 1980s. Helen Williams at Communications, the longest serving secretary, was a pioneer in this battle. But most of the other women had stories of blatant discrimination to tell in their rise through the ranks. It might be expected that these women bring an added perspective to policy development and contribute to a more balanced approach.

But what of ethnic diversity at the top of the service? Despite all the southern and eastern European migration since the 1950s, and the migration from all over the world in more recent years, there is not one Pappadopoulos, Spasojevic, Wong or Singh at the top. A near compulsory part of every job interview in the service is adherence to the principles of equal opportunity and diversity but this has not permeated all the way up.

Anecdotal comments suggest that this may well be due to the fact that a certain type of behaviour and style is expected in the service, one that fits neither the

flamboyant southern European, nor the more restrained Asian. The people at the top select people like themselves, albeit with some men now willing to select like-minded and (similar personality type) women. In recent years, for a whole variety of reasons, indigenous representation has fallen at all levels in the service and there is currently no indigenous person in the wings of the service, ready for a top job.

An “exotic” at the top in the service is someone like Dr Peter Shergold. Shergold is unusual for a number of reasons: a British migrant, a late recruit to the service and an economic historian, rather than full blooded economist (there is a difference – economic historians tend to know more about the real world). Lisa Paul, head of Education, Science and Training, and Jane Halton have some claim to being exotic. Not only are they women but they were both were born overseas – Paul in the United States and Halton in Britain.

In his 1991 book Pusey found that even twenty years after leaving school, family background had an influence on the disposition of senior public servants. Today the elite private school does not seem to have quite the influence it once had. Michael L’Estrange at the Department of Foreign Affairs and Trade stands out for his attendance at the exclusive Catholic, St Aloysius College, Milson’s Point.

A mandatory qualification for appointment to a chief executive position is of course a stint at one of the central agencies, Prime Minister and Cabinet, Treasury or Finance. This increases the chances that an economist will come to the notice of the Prime Minister and become a candidate for a top job. But with the recent increase in emphasis on security, and the creation of more advisory positions in that field, it would not be surprising to find that in a few years more people with a background in this area will take CEO positions.

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