

# The Consummate 'Fixer' – Peter Shergold, Department of the Prime Minister and Cabinet

Dr Peter Shergold has not always looked forward to coming into work. For those who know him as the upbeat, bouncy, optimistic head of the Department of the Prime Minister and Cabinet, this may seem surprising. Nothing seems to get Shergold down now. He thrives on the pressure of work as Australia's most senior public servant. It is no hardship coming in at 8 am and leaving at 7.30 pm five days a week and dropping into the office to clear the desk of all paperwork on Sunday morning. The relentless hard work is overcome by the fact that, "it's thoroughly exciting, absorbing, interesting work", he says. He may not like the lack of autonomy over his time but he is happy to pay this price.

It was not always so. Eleven years ago, in his final six months as CEO of the Aboriginal and Torres Strait Islander Commission, he says he was "not looking forward every morning to going to work ... I had done three years by then and it was relentlessly difficult. And it is sometimes difficult to keep your spirits up ... Sometimes when people say it must be tough being head of PM&C, or it must have been tough when you were working in DEWR during the waterfront dispute, I disagree. I always think that if you've done three and a half years trying to administer aboriginal affairs, you can take anything – it is a genuinely difficult area. You know that people's lives depend upon it ... It's a very emotionally fraught area and it is certainly a great school for toughening you up."

Shergold's time at ATSIC may in the end have been morale sapping. But at its conclusion his minister, Robert Tickner, said he had "played a simply magnificent role." Nevertheless a major career setback followed. "When my contract ended the only position that was found for me was as the head of Comcare", he says. "Now that was a demotion, because it was back to a deputy secretary level and of course it was an area in which I had almost zero expertise. I suppose the thing I learned from that was that any area, if you throw yourself into it, can be a great learning opportunity ... I learnt about occupational health and safety. I learnt about actuarialism. I learnt about management and the way that management can influence the rate of stress related illnesses and occupational overuse syndrome ... Now I suppose it would have been very easy to have been bitterly disappointed. That having done a pretty tough two and a half years as CEO of ATSIC at the end of it, I was relegated back to a deputy secretary position, which was my substantive level...What I learned from that is that if you

persevere, if you take what opportunities come to you and do the job the best you can, that new opportunities come around.”

Shergold’s background and career path is not one that would be expected to lead to the top job in the Australian Public Service. Firstly, he has not spent his whole career in the public service. As a student in Hull, he had ambitions to be a poet, but turned to economic history. In 1971 he was appointed lecturer in economics at the University of New South Wales and stayed in academia until 1987, when he took his first public service job as head of the Office of Multicultural Affairs. He then spent time in eight more agencies delivering programs in social services areas before getting the top job.

This route to the top was dramatically different to many of his predecessors who mostly followed central agency tracks. But his experiences created a man for his times. The major economic changes that were shepherded through the 1980s, 1990s and early this century of floating the exchange rate, cutting tariffs, deregulating the banks, privatising public enterprises and introducing a goods and services tax, have given way to a host of social policy and security issues. Shergold nominates workplace relations, vocational education, welfare to work and new approaches to indigenous affairs as areas that have become central to the Government’s policy agenda and which coincide with areas in which he has had a lot of experience. “I’ve been lucky in coming to head this department at a time when those issues have been very much at the forefront of the Government’s agenda”, he says. “I’ve obviously had to learn a great deal in terms of international diplomacy, security, counter-terrorism, defence because I had no background in those areas.”

On the economic side, because of his academic background, he is more comfortable with the issues. His strong focus on program delivery over policy development reflects his work experience, although he sees the two going hand in hand. “I think it’s vital in looking at policy development to take account of the experience of the people who are actually delivering the programs because I’ve seen that for myself”, he says. He also believes that Government policy needs to be looked at from outside the Canberra perspective and takes his role of public service leadership very seriously. This, he says, comes from having had experience as Public Service Commissioner.

If there is one area where he has strongly entered the public arena it is in the debate over the willingness of public servants to give frank and fearless advice to ministers. He rejects any suggestion of a golden era in the past, when public servants were more courageous than they are today and adds that he thinks people over-estimate the courage required to give policy advice. “I don’t find that it requires a great deal, particularly when you’re giving it in private”, he says. But he points to times when his administrative responsibilities required some courage. Working on the Job Network tender process, for example, he

found that the key public provider, Employment National, had done very badly in the tender process. This presented enormous problems for the Government, particularly as it would result in a significant decline in staff in this public sector organisation.

“Now I have to say that it took some resolve to say to ministers, ‘this is the result of the tender which I intend to sign off on and it’s going to be a real problem for the Government because you’re going to have to deal with the situation in which large numbers of public servants are going to lose their jobs. I apologise but, for probity reasons, this must be my responsibility’. The ministers accepted that ... Now I think that takes courage because unlike policy advice – and on occasion I argue strongly for a piece of policy advice – I fully accept that at the end of the day, it’s the Prime Minister, or the Cabinet, that makes the final decision. Not myself.”

Shergold is by far the most publicly accessible head of the Prime Minister’s department. His predecessor Max Moore-Wilton – now head of Sydney Airport Corporation – was well known by reputation but hid behind bureaucratic walls. His public speeches were few and far between and media interviews were rare. Shergold delivers regular speeches setting out the public service’s role and defending the service, and he is open to questioning. “I feel that one of my key jobs is to try and ... act as a facilitator between stakeholders and government”, he says. “I think it is entirely appropriate that a whole range of people in the community share my interest in public policy. It is appropriate that I can talk to them about the directions of the public service, talk about the directions that the Government is setting, answer questions and seek their views ... I try as much as I can to be publicly available ... It’s tricky because there is the constant risk that in an unguarded moment, I might say something off the cuff which could be used to attack the Government or the Prime Minister. And therefore I am wary but I believe it is better to do it – to try and manage those risks than to not deal with people directly.”

Shergold acknowledges he has made mistakes “and you learn from them.” He says, for example, that he discovered only under questioning at Senate Estimates that there was evidence that a large Job Network provider had been inappropriately taking fees for job placements. He had not been aware that this was happening and he moved quickly to have a full investigation and resolve the matter. Today he says the thing he is most proud of is the way he has been able to build around him an extraordinarily active intelligent and collegiate group of secretaries. They have to a very considerable extent embraced the idea of working together and he thought departments worked together much more closely than in the past. He believes he is creating a new culture of people working across bureaucratic demarcations. For this reason he strongly supports the notion of a single senior executive service.

Shergold says he sees the role of PM&C as making sure that the Prime Minister, when he chairs Cabinet or COAG meetings, is well placed to be able to get the best outcome on behalf of the Commonwealth Government. "That means making sure that the Prime Minister is very well briefed and that the submissions that come forward from other ministers have answered all the key questions and make it clear what the purpose of the new policy is ... [It means making sure] we have consulted appropriately and that agencies have an effective implementation plan...Now the reality is I don't think a department like PM&C can simply co-ordinate, because that suggests that all the department does is simply react to things. In my view the department has to be pro-active. I think the department should be putting forward possible new policy approaches to the Prime Minister ... It doesn't mean we go out and second guess every policy. But there are certain issues on which the Prime Minister would like to see the department give clear directions or even, perhaps for the short term, take a leadership role."

He says PM&C "can take a leadership role by chairing an Inter-Departmental Committee (IDC) or hosting a taskforce. On some key issues like vocational education, water policy or energy policy, the department can help the Prime Minister drive a reform process, particularly at the early stages before responsibility goes back to the line agency. These tended to be areas where responsibility did not neatly sit with a particular agency. This could help moderate departmental demarcation disputes and could help things happen quickly...Now there is a danger ... that because PM&C ... has the power that comes from being the gateway into Cabinet, there is a possibility that that can be misused or can be perceived to be misused ... There is a danger in PM&C being seen to be the regulator, the policeman, the second guesser. I don't want to suggest that we've got it completely right because, as always, mistakes get made. But certainly the management ethos I try to drive, the key message I get out every month when I talk to new employees coming into the department ... is that I do not want PM&C to be achieving its objects through the use of power and force ... That may be successful in the short term. It is not successful in the medium to long term."

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