

**IPAA DON DUNSTAN ORATION ON PUBLIC ADMINISTRATION:
*A NATION BUILDING ROLE FOR THE PUBLIC SERVICE***

with

The Hon Kim Beazley MP

3 October 2006

National Wine Centre, Adelaide

INTRODUCTION

Thanks Mike (Rann) for that generous introduction.

What an honour to be introduced by a friend who played a role in the Dunstan Government, and who now leads a capable Government of his own.

A Rann Government doing such wonderful things for South Australia.

And it's a great privilege to deliver the fifth Don Dunstan Oration on public administration.

The first, delivered by Don himself, six months before his death.

Don Dunstan was, of course, an outstanding leader. An accomplished politician. A charismatic, unconventional and provocative man whose decade of reform challenged and changed this state.

He was passionate about education, social justice, Indigenous land rights, opportunity for women, racial tolerance and the arts.

A social reformer but also a crusader for public sector reform determined to revolutionise the public service.

Not something, it has to be said, that the bureaucracy of the time wholeheartedly embraced.

As Don himself later conceded, his more controversial senior appointments raised many a hackle in the Public Service.

But by the end of the Dunstan Decade there was no denying that a great deal had changed in South Australia – and not least in the public service.

Devolved management, streamlined bureaucracy, merit-based appointments.

Reforms that were then totally foreign to other states and the Commonwealth were now integral to the South Australian system and set to become a national benchmark.

As your speaker here last year, Dr Peter Shergold, pointed out: the Dunstan public sector reforms transformed the effectiveness and performance of public administration right across the nation.

So it's with great pleasure I speak to you today about the nature and role of the public sector of the future.

From the perspective of the alternative prime minister of this country.

And from the vantage point of someone who's spent a quarter century in Federal Parliament – as a minister, deputy PM, and leader of the opposition.

Over this time I've been constantly inspired by public servants I worked with.

I like to think we worked well together – that their talent and commitment, matched with ours, did great things for Australia.

So today I want to prosecute this argument:

That the character, transparency and integrity of a government directly influences the prevailing culture of the public service – its independence and its vigour.

That, notwithstanding the inevitable and often productive tension between executive government and the public service, a government can be judged by its interaction with the bureaucracy.

And measured by its commitment to an independent, vigorous and modern public service providing expert, non-partisan advice.

And I would argue, by this measure alone, the Howard Government fails.

At this point I want to inject a quote into this debate. A quote which is now more than a decade old but remarkably relevant today.

It reads:

"... the Australian people believe this nation needs a change of government. It needs a change of government for a whole host of reasons. It needs a change of government because the current government has run out of ideas. It needs a change of government because the current government is beginning to take the Australian people for granted."

The words belong to John Howard. He was speaking here in Adelaide in January 1996.

He was arguing that a government that is tired and arrogant and takes the people for granted – should be thrown out.

I couldn't agree more.

An out of touch government which governs for itself deserves to go.

And when it fails to take up the challenges inherent in the complex new dynamics of the global economy it should be replaced.

Because if Australia is to compete and prosper in a ruthlessly competitive region, we need national leadership and nation building vision.

That's why the Government I lead will throw all its energy into nation building policies.

We'll get super-fast broadband into homes, train Australians to fix the skills crisis, rebuild our crumbling infrastructure, protect Australia from the threat of dangerous climate change.

And to me, nation building also means re-building and restoring our great national institutions like the public service.

For ten years the public service has been misused and manipulated in the pursuit of political interest ahead of the national interest.

The principles of accountability, democratic practice and ministerial responsibility junked in the mad rush to hold on to power.

Politicisation of appointments to the boards of statutory authorities.

The number of ministerial advisers doubled – people who can't be subjected to open scrutiny; who aren't accountable to the parliament or the public.

This is a Government with no interest in accountability or proper public administration. It's only interested in what it can get away with.

And when it comes to the public service it's only interested in getting the advice it wants to hear.

Rewarding public servants who give government-approved advice and admonishing those who speak out.

Compare the experiences of Police Commissioner Mick Keelty and the former head of John Howard's People Smuggling Taskforce Jane Halton.

Ms Halton was promoted to Secretary of the Health Department after providing the Government with the advice it wanted in the children overboard affair.

But Commissioner Keelty was bullied by the Government for suggesting the Iraq War had increased the terrorism threat for the US and its allies.

Of course Howard's decision to follow Bush into the wrong war in Iraq made us more of a target.

The PM is accountable: he should stand up and admit his mistake.

All of the bluster in recent days from John Howard and Alexander Downer reveals a very guilty conscience when it comes to Iraq.

That's why they've been trying to misrepresent my views on how, on coming to office, I'll work with our allies to withdraw Australian troops.

Whenever they misrepresent my views, or try to distort the debate, or talk about the war on terror, remember this:

John Howard is guilty of making us more of a terror target.

MINISTERIAL MALADMINISTRATION

We shouldn't be surprised when Mr Howard, in distorting my views, tries to escape scrutiny of his decision to take Australia to the wrong war in Iraq.

Because, for ten years, Australia's democratic governance has been steadily eroded.

The independence and diversity of our institutions – the courts, universities, the media and of course the public service – consistently weakened.

At the same time ministerial accountability is now viewed as a quaint but inconvenient relic of a past era.

Never more so than in the disgraceful circumstances of the \$300 million wheat for weapons scandal. The most serious and far-reaching corruption scandal in Australian history.

A scandal that has demonstrated how this Government is prepared to abandon all accepted practices of accountability and ministerial responsibility for the sake of its political survival.

The lengths it will go to - to deny, hide or manipulate the truth.

What we have seen in the Government's response to the AWB scandal is shameless public deception and cover up.

Where all that matters is what you can get away with.

And ministers evade all responsibility.

Because despite repeated warnings about the kickbacks and despite the damage it has done to Australia's security, not to mention our wheat farmers, Ministers Downer and Vaile refuse to resign.

Compare their standards of ministerial accountability with those of former Labor minister Mick Young who fell on his sword for an infraction of customs laws when he imported a teddy bear. Or Liberal Ministers MacKellar and Moore who resigned after failing to pay

customs duties on a television set.

And yet Downer and Vaile brazen it out; preferring to compromise Australia's international standing rather than take responsibility for what is arguably the most serious political scandal in our nation's history.

They stand accused of gross negligence. Over five years there were 33 warnings about the AWB kickbacks to Saddam – all of them ignored.

And once the scandal leaked out they tried to cover it up, misleading our American allies on three separate occasions as well as the United Nations and the Volcker Inquiry.

They stopped Australian officials from appearing before Volcker.

They even coached AWB staff on how to respond to questioning: 'do not answer too many questions', 'do not be too forthright'.

But the greatest travesty is the Prime Minister's manipulation of the Cole Inquiry terms of reference.

Deliberately confining Commissioner Cole to the determination of possible criminal culpability of the part of AWB with no power to determine the role and culpability of ministers.

Commissioner Cole cannot make findings on whether ministers were guilty of negligence when they failed to respond to the 33 warnings.

He cannot rule on possible ministerial involvement in cover-ups.

He cannot make a determination on whether Minister Downer upheld the Customs regulations to approve each export contract with Iraq before payment was made.

Unless the terms of reference of the Inquiry are expanded, these are questions that may never be answered.

They certainly can't be by Cole under the current terms of reference.

And of course other parliamentary avenues of investigation including Senate estimates and the option of a Senate inquiry have been shut down.

But arrogance and deceit are not isolated **aberrations** of the Howard years.

They are **hallmarks**. Established and accepted practice.

From the outset, travel rorts, conflict of interest and disregard for accepted standards of ministerial behaviour have defined this Government.

Sanctioned by a PM who dispensed with his own code of conduct once it became too difficult to keep imposing it on himself and his ministers.

Right back at the start there was Small Business Minister Prosser who also ran three shopping centres on the side; Resources Minister Parer with massive share interests in a coalmine; acting Communications Minister McGauran – conveniently forgetting he owned 70 poker machines.

John Howard stepping in to bail out his brother Stan's bankrupt company at a cost of \$4 million to taxpayers.

Peter Costello appointing Liberal Party mega-donor Robert Gerard to the Reserve Bank despite being told Mr Gerard was involved in a 14 year long tax evasion dispute with the Tax Office.

But of course, with the Code of Conduct now abandoned, the PM didn't demand his resignation. And the Treasurer never considered offering it.

These ministerial failures, and scandals like wheat for weapons, lead me to believe one of two things happened.

Either the public service was cowed or they lacked influence. Either they weren't listened to or they weren't asked.

In either case the Howard Government is to blame for cultivating this public service culture.

Demonstrating, as I said earlier, its failure to build a vigorous, modern and independent public service.

POLICY MALADMINISTRATION

Just as accepted standards of ministerial propriety went out the window so too the public service has been set on a course that has changed its role and relationship with government.

Forget frank and fearless advice; this Government deliberately incubates a culture where the only advice the government seeks is the advice they want to hear.

One of the inevitable casualties of this has been the effective development and implementation of public policy.

What we have seen in the last ten years is policy exploited for political gain.

With the attendant risk of compromised public servants.

Let me give you just a few examples:

The \$1 billion Federation Fund programme turned into a pork-barrelling bonanza for Coalition MPs.

The deliberate rorting of the Regional Partnerships program with massively disproportionate grants allocated to coalition seats.

In the marginal seat of Bass alone a massive \$12.2 million was committed in the pre-election period, much of it to Regional Partnerships projects.

One hundred million dollars from the AusLink program went to "strategically placed roads".

Strategically placed in marginal electorates that is - without any economic, social or safety assessments by the Transport Department.

And you need look no further than the administration of Australia's long term defence capability development and force structure planning, to see another example of this Government's policy failure.

In this case, it's not so much a matter of playing politics. It's just plain incompetence.

The combat helicopter project is not finished, so Australian contingents to Iraq have relied on the British for helicopters for mobility and protection.

The Navy is planning to buy massive amphibious vessels, yet to sustain support for our recent operation in East Timor, had to hire small, fast amphibious vessels to support service logistics.

The imminent air capability gap is a massive strategic problem.

If the F1-11s go out of service before the Joint Strike Fighter is in the air then Australia will be left without a strike capability, a strategic deterrent, at a time when we have never needed it more.

Recent media reports suggest that the Army's new Abrams tanks won't be able to move around Australia for logistic and other purposes because they're simply too heavy for Australia's road and rail networks.

And there's an emerging capability crisis in personnel numbers, especially numbers of soldiers.

The Australian Strategic Policy Institute has observed: "The process of building up the size of the ADF has worse than stalled, it's gone backwards."

This is a fundamental failure of public administration - a failure which a country at war cannot afford.

Of course South Australia has a critical interest in this.

The Government has announced that it will raise a new infantry battalion, to be based here in Adelaide. This is welcome - but there are serious doubts that it can be delivered.

The reported inability of the Abrams tank to move north by rail to Darwin makes a mockery of Mr Howard's support for the Adelaide-Darwin rail link.

And with the six billion dollar air warfare destroyer project awarded to Adelaide, the state's manufacturing industry can scarcely afford that project to be mismanaged by the Government in the way so many others have been.

Good management of the Defence Force has always been crucial to Australia's national security. In the war on terror, good management of the Immigration Department has become just as important.

Our borders are a front line, and incompetence weakens their security.

That's why deporting Vivian Solon, detaining Cornelia Rau, stripping the late Harry Seidler of his passport, and kidnapping the Hwang children from their school, weren't examples of strong border protection.

This was weak border protection. The result of mismanagement and incompetence.

And if the Howard Government can't work out who's an Australian, what chance do they have of monitoring where Australians travel or indeed of establishing who is a threat to our country?

We must have a Royal Commission into the functioning of Immigration. Not only to get to the bottom of the problems of the past several years, but to get immigration right in the future.

Royal Commissions used to be a way serious Governments could get to grips with political and policy problems that were beyond simple departmental investigations. This Government has turned them into political tools.

So again I invite you to consider my earlier point about the culture of the public service under Mr Howard.

Because the policy failings I've just listed can be seen as a result of his failure to build a vigorous, modern and independent public service.

So when a Government like this one tramples the public service it's no surprise that Australia has endured the regular policy failings of the last ten years.

THE OPPOSITION'S JOB

Of course, the Government's unfettered control of the Senate now heavily influences its behaviour.

It's now a government with unchecked power – something we haven't seen for a quarter of a century.

And the ramifications have been unprecedented.

Starting on day one, when despite the Prime Minister's assurance that the Government would not abuse its power, it unleashed it in the first Senate Question time of the new

parliament.

Immediately and permanently reducing the number of questions allowed from non-Government senators.

Since then the Government has exploited its majority to overturn or deny almost every practice, procedure and mechanism that made the Senate a highly effective check on government power.

Debate on legislation is now routinely guillotined: senators are denied the right to speak on specific legislation. Telstra, the terrorism laws and the IR legislation are just a few examples

Senate committee inquiries curtailed and cut short; public servants gagged by the Government in Senate Estimates committee hearings.

Traditional, time-tested, Senate processes - once an effective check on executive power - have been abolished or compromised by a Government relishing the tyranny of its majority.

The Howard era of neglect and mismanagement, combined with total parliamentary control, presents a two-fold challenge to Labor in Opposition.

To rigorously impose accountability. Day in and day out, asking questions and demanding explanations. Examining and critiquing government policy.

And, just as importantly, presenting Australians with positive, forward-looking alternatives.

This is the dual nature of my job as Opposition leader.

This speech has, so far, concentrated on the first half of my job, so let me turn now to the second component:

Explaining to the Australian people how Labor will meet the great challenges ahead - domestic and international.

The challenges of global economic competition; the threat of terrorism and climate change; dealing with the reality of an ageing population.

Over the past year I've laid down eight policy blueprints.

Nation building blueprints to train Australians, rebuild crumbling infrastructure, get high-speed broadband into every Australian home and develop a new Australian fuels industry. Policies to address climate change and plans to fix childcare and children's health.

It's this determination to build a prosperous, secure and independent future for our country that drives me.

This job can't be done single-handedly.

LABOR'S PLAN FOR PUBLIC ADMINISTRATION

If the Government I lead is to build a bright future for Australia we will need a smart, dedicated and independent public service to do some heavy lifting.

The public service plays a crucial nation building role, delivering government economic and social policies.

If the public service is to do its job effectively, we must make the APS a model employer and skill-up the public sector.

In the Government I lead, these principles will be underpinned by practical measures to ensure effective governance and public administration.

These will include:

- Support for a merit-based, apolitical and non-discriminatory career public service;
- Secure, comprehensive service-wide standards and classifications;
- Family friendly working conditions;
- Training and career development opportunities; and
- Ensuring contracting out is not used to cut the wages and conditions of public servants.

And I'll also ensure that necessary processes like commercial confidentiality and corporatisation are not misused to evade scrutiny of government and government funded departments and agencies.

Of course, as I've argued today, government cannot demand its public servants to embrace standards that it refuses to adhere to, itself.

So the government I lead will uphold the highest principles of transparency, accountability and accessibility.

- Labor ministers will be subject to a strict code of conduct governing their behaviour – one that clearly establishes the action to be taken when conflicts of interest arise;
- Ministers leaving parliament will be required to wait a year before they can be employed in their most recent area of portfolio responsibility;
- All MP spending will be examined annually by an independent auditor;

- And Labor will make ministerial advisers accountable to government, the parliament and the public.

Labor has long supported the public transparency of political donations and I'm committed to strengthening disclosure requirements.

First I will abolish tax deductibility for political donations.

Second, I will introduce measures that require all fundraising organisations and trusts that support political parties, to disclose their accounts and sources of income.

To ensure complete transparency, we'll get rid of the Government's ten thousand dollar donation limit for disclosure and restore the fifteen hundred dollar limit which has served us appropriately in the past.

Third, political parties will be required to provide an independent audit of their annual returns.

And fourth, I'll give the Electoral Commission the power and resources it needs to enforce compliance with the disclosure laws.

When it comes to government advertising I'll impose strict new guidelines so there can never be a repeat of the gross abuse which has characterised the Howard Government.

Over the last decade the Government has become the biggest advertiser in the country; more than a billion dollars over ten years.

Ninety million dollars alone in the nine months leading up to the 2004 election.

I will not allow the use of government advertising for political purposes – like the 55 million taxpayers' dollars spent on selling John Howard's extreme IR laws.

Government advertising campaigns will only begin once the relevant legislation has been passed in parliament. And all advertising campaigns will be objective, factual and explanatory – not a sales pitch for a political line.

As I said earlier, I believe that a strong government promotes and encourages openness and scrutiny.

That's why, in government, I'll reform the Freedom of Information Act to make it more open and democratic.

The need for reform has been made even more urgent following the recent High Court decision which ruled against *The Australian* in its bid to access Treasury documents under FOI.

It means the Government's tactics of blocking public review through the issuing of conclusive certificates, excessive delay and poor quality responses will continue.

These tactics also impede the Opposition as well as the media. For example, Labor has

submitted nine different requests in relation to the wheat for weapons scandal and each has been refused.

I'm committed to turning this around in government by changing the legislation to reflect a pro-disclosure culture.

I believe government information should be made available unless its release would cause public harm, or hinder national or personal security.

That's why we'll abolish conclusive certificates and ensure the public interest test is applied more thoroughly and consistently.

That's my plan.

A strong independent public service.

Real ministerial standards, scrupulously enforced.

Proper rules on political donations, an end to political government advertising campaigns, and fixing the Freedom of Information rules so they protect the national interest, not party interest.

CONCLUSION

You'll be hearing more on these issues from me, and from my shadow ministers Kelvin Thomson and Nicola Roxon, in the lead up to the election.

Because, as I said at the outset, a government can be judged by its relationship and interaction with its public servants.

The character and integrity of a government directly influences the culture of the public service – its independence and its vigour.

And a government that sees the public service as simply another weapon in its political armoury betrays the national interest.

In ten years Mr Howard has diminished the independence and efficacy of the public service by demanding and accepting only the advice he wants to hear.

In the same vein he has eroded the autonomy of other important national institutions.

His way is to undermine and weaken. Mine is to rebuild and strengthen.

For me, leadership means two things: relentlessly holding the Government to account, and showing the way forward.

Leadership that signals a new era of accountability, transparency and openness in government, anchored by a modern, vigorous, nation building partnership between my government and the bureaucracy.