

# KING GOUGH : MADNESS OR MAGNIFICENCE ? A RETROSPECTIVE VIEW OF THE 1975 APSA CONFERENCE.

Professor Roger Scott  
Professor of Public Management  
Faculty of Business  
Queensland University of Technology

Kate Wilson  
Snr. Research Officer / Tutor, Applied Ethics  
Faculty of Business / Arts  
Queensland University of Technology

## I. THE CONFERENCE AND THE AUTHORS

In 2000, I chose to mark the 25<sup>th</sup> anniversary by a personal project to complement the formal conference on the topic of the Whitlam years held later in the year on the specific anniversary.

As President of APSA in that momentous year, I chaired the committee which organised the conference that year, held amid damp conditions at the Canberra CAE. The conference occurred in the hothouse environment of July 1975, a period of unprecedented levels of political uncertainty. Indeed, the very title of the conference, "The First Thousand Days of Labor" devised by John Power inadvertently begged a momentous question: Would Whitlam last beyond his first thousand days? Answer – just, 1074.

The attendance at the conference, over 400 including the down-town public servants, was also abnormally large. Finally, the format of the conference, squeezing all contributors into a straight-jacket of a single theme, was also an innovation – and never repeated because some vocal groups felt disenfranchised by its intellectual parochialism.

These special characteristics of the conference justify this exercise in retrospectivity. It fits into a theme of reviewing Australian federalism since 1975 was such a cataclysmic year. It was a mirror of where the Whitlam government was taking the public policy agenda – towards institutional reforms in the public service, reaching into local and regional communities, creating new slants on federalism and engaging in an activist and independent foreign policy (not least with respect to East Timor).

It was also engaging the scholarly attention of a wide variety of participants not normally much in evidence at APSA conferences, including senior administrators, serving politicians, journalists, union officials and ministerial staff. Some of these have faded into relative obscurity or joined their ancestors, but the list of "then/now" occupations in the Appendices suggest an unusual diversity of backgrounds at the time and subsequent to the conference.

I decided to send the conference contributors a copy of their original papers and respond to the questions of how much things have changed since they wrote and how accurate were any predictions and analyses they offered. What did the differences tell us about that state of the discipline of political science then and now.

Kate Wilson took on the herculean but ultimately rewarding task of tracking down the participants and inviting them to judge the continuing relevance of their papers and the extent to which the papers reflected the temper of the times and of the discipline of political science. Many authors remain affiliated with universities, some in semi-retirement or doing slightly different things; some are doing very different things and some are no longer with us. Some declined to comment because they were no longer "in the trade", some were, but literally had "no comment"; several were obviously enthusiastic about the task and some a touch embarrassed.

Few of the authors we approached gave much attention to the disciplinary aspects of the task, commenting instead on the substance of the issues they had discussed in 1975. This was typical of where Australian political studies was at the time, broadly descriptive, practical and not at all scientific.

The scholarly content of the papers was best described by DAVID CORBETT:

*The 1975 conference papers were time-bound parish-pump stuff, like what a lot of what political scientists used to do and still do, though none the worse for that... what sort of political scientists were we in those days?*

*I never used the word 'discourse', I didn't mention post-Fordism (never having heard it then, and most uncertain as to what it is even now). I didn't mention restructuring, though I well might have done... There were other glaring omissions. Not a word about globalisation, bench-marking or empowerment. Nor did we claim to have made a paradigm shift, or to have been thinking outside the box, or to have leveraged a game plan for a customer-focussed organisational culture.*

*Think of it!*

*And think how much better off we are, now that all of us are familiar with these vital concepts. The old days were very bad.*

*The future lies ahead, as Mort Sahl once said.*

The papers are arranged as they were in 1975 – in four sections : “Government, Parliament and Parliamentarians”, “Machinery of Government”, “Federalism” and “Public Policy. A fifth section, on international relations could not be sustained in this retrospective as few authors could be contacted who had any interest in reviewing what they had written that long ago and many had not survived. Hard copies of this retrospective were tabled at the 2000 APSA conference.

The original 1975 papers were photocopied and bound into two volumes with the modest technology then available and can still be found in many university libraries which received free copies from APSA. They will be catalogued as “The First Thousand Days of Labor” perhaps with attributions to compilers Scott, Richardson, Power and Wettenhall.

## Table of Authors

Arnold, P.	<i>The GPSA: the Anatomy and Physiology of a Pressure Group.</i>	p.22
Button, J.	<i>Parliament under Labor.</i>	p.5
Chapman, R.	<i>The AAP: A Study of Ineffective Planning.</i>	p.16
Charles, D.	<i>A Strategy for Tariff Reform.</i>	p.28
Corbett, D.	<i>The South Australian Public Service Enquiry.</i>	p.2, p.10
Cutt, J. and Dixon J.	<i>Income-Support Options for Australia.</i>	p.25
Davis, B.	<i>Tasmania's Bell Bay Railway Project.</i>	p.14
Gleason, G.	<i>Review of Machinery of Government in N.S.W.</i>	p.11
Holmes, J.	<i>The Public Enquiry in Victoria.</i>	p.13
Kanaley, D. and T.	<i>Regionalism on the N.S.W. North Coast.</i>	p.18
Lansbury, R.	<i>The Labor Government and Industrial Relations.</i>	p.27
McPhee, I.	<i>Parliament under Labor.</i>	p.5
Robbins, J.	<i>State and Federal Policy Impact on Hindmarsh, 1970-74.</i>	p.20
Smith, R.F.I. and P. Weller	<i>The Impossibility of Party Government.</i>	p.3



## II. GOVERNMENT, PARLIAMENT AND PARLIAMENTARIANS

BOB SMITH and PATRICK WELLER were linked to the Coombs Commission team and continue a close interest in national government;

*The Impossibility of Party Government—a comment*

*Reflecting on the experience of the Whitlam government is like surveying a half built ruin. Twenty-five years on it is essential to acknowledge failed hopes, youthful embarrassments, abandoned experiments and episodes of political and bureaucratic behaviour still memorable for their ineffectiveness. However, like a grand ruin, the record of the Whitlam government has some startlingly intact and contemporary pieces.*

*Our paper in 1975 explored the ability of a reforming party to take charge of government. We concluded that examining the ability of parties to take charge 'leads directly to a new confrontation with the complex policy-making process and the role that parties play within it'. This comment starts from the paper's conclusion.*

*However, it should be declared at the outset that the comment reflects also a change in standpoint. In 1975 much of our interest and experience was in and around political parties; looking back from 2000 much of our relevant experience has been in and around the public sector.*

*We cover four issues:*

- *Understanding policy processes and the role of government*
- *The changing context in which Australian federal governments work*
- *Whitlam era innovations with continuing currency*
- *Continuing issues.*

*First, we now have more intellectual equipment with which to analyse policy processes. But we also have more modest hopes about the role of government and about our ability to use analysis as a guide to change and reform. In 1975 big and bureaucratic government was accepted. Many commentators regarded changing government practices to reflect the platform and aspirations of Whitlam Labor as a feasible challenge. Labor oppositions regarded learning the lessons of the Whitlam era as good preparation for government up to the first years of the Hawke government. Academically 'public policy' was a label still looking for a field. Management in government had yet to become controversial let alone widespread.*

*Now we have burgeoning literatures in public policy and management. These are accompanied by deep divisions of opinion about both the range of appropriate government activity and the means by which governments should seek to apply policy. Further, after putting the public sector and its supporters under great pressure, neo liberal agendas have themselves lost much of their drive. In 2000, analysis of and in the public sector tends to inform scepticism rather than enthusiasm.*

*Second, the national government continues to share power uncomfortably with the states while confronting a disturbed international environment, especially in South East Asia and the Pacific. Further, the intertwining of global and local economic forces distributes opportunities and threats differentially throughout Australian society. Agendas to use the private and community sectors to deliver government policy compete with demands for direct use of the public sector to underpin communities under threat. Further, increased diversity within Australian society presents threats as well as opportunities. Political parties grapple with a world in which winning*

*government means handling the impacts of external forces while providing leadership to an increasingly differentiated domestic society.*

*Third, despite the changes mentioned above, some of the tools of government available to electorally successful parties owe their significance to initiatives in the Whitlam era. Whitlam and his colleagues prepared hard for government. Further, while the government respected the role of the public service, it wished to make changes. Unlike many social democratic reformers in the UK it did not take the public service for granted as a means of implementing change. To Whitlam, being in charge meant more than providing ministerial blessing to official agendas.*

*Taken together the initiatives outlined in the full paper formed a broad and largely unintegrated agenda to improve political leadership of the public sector and to modernise the way the public sector was run. Current agendas extend in directions people in the 1970s could not envisage. However, the number of initiatives from the 1970s with continuing currency is testament not only to the long time periods involved in implementing extensive change in the public sector but also to the substance in amongst the froth.*

*Fourth, amongst continuing issues two stand out. First, the Whitlam government marked the high water mark of confidence in the effectiveness of government action. In many respects the recent neo liberal experiments drew strength from the disillusionment generated by the Whitlam government's inability to implement its program in an orderly fashion. Probing the spectacular failures of an ambitious government led easily enough to a radical reworking of expectations about what governments could and should do. It is acknowledged that neo liberal agendas depended on much more than this. But Whitlam era failures in policy and management provided and continue to provide dramatic reminders of how good intentions can lead to bad results. In the post neo liberal sorting out of values and means it is possible that new generations of activists will draw inspiration from the intentions of the Whitlam period as they search also for more effective means of implementation.*

*This leads directly to the second prominent continuing issue. How elected ministers relate to appointed officials in a tight Westminster derived executive in times of rapid external and internal change deserves more thorough consideration in public discussion than it is receiving. Whether governments want to do a lot or a little they depend on official help.*

*The idea of a permanent and continuing public service emerged from the Northcote Trevelyan report in Britain in the middle of the nineteenth century as a response to changing pressures of work in government. Many initiatives in the 1970s depended on the assumption that opening up the public sector would make it work better. Neo liberal initiatives asserted that the problem was the public sector itself. Now perhaps we are back to asking what we want governments to do and how they can best do it. Questions of purpose and capability intertwine. It is suggested that, as in earlier times, these questions need political as well as management answers. Public sectors need political leadership. But how such leadership is given needs to be debated anew. It has been an easy to drift into partisan appointments at official level as a response to bureaucratic obduracy. However, disappointment with the performance of partisan appointees has generated questions about the need to raise the priority given to capability. The ability of stripped down public sectors to provide help to governments elected in reaction to neo liberal agendas further extends the question of capability.*

**and IAN MCPHEE and JOHN BUTTON were asked to provide a report on their impressions of being parliamentarians under Whitlam. Ian McPhee reports that**

*one of my vivid recollections of the discussion which followed the presentation was the lack of real interest by the political science fraternity in the topic. If that is still true, it is little wonder that the effectiveness of our democracy is unravelling.*

McPhee was, however, proud of the percipience of his own remarks:

*For the first time in my life, I would not change a word of what I said 25 years ago. As a political science critique, I believe it to be accurate. An examination of the same criteria for later governments would produce quite varied criticisms. The picture would be uneven. Most would be criticised more than was Whitlam's, the Howard Government faring worst, I would expect, on most criteria.*

Button was able to draw a vivid account from his perspective as a government back-bencher as well as a later senior Minister. He captures superbly the sense of grandness and chaos of the era:

*My paper to the 1975 APSA Conference attempted to deal with two topics reflected in the title ('Parliament Under Labor') and the sub-title ('Reflections of a New Member of Parliament'). So in a way it blurred two issues.*

*The title was an unusual one for an APSA Conference. There hadn't been a 'Parliament Under Labor' for 23 years before December 1972. A Labor Government was an unusual phenomenon, worthy of some consideration by students of the political system.*

*Since 1975 there have been 13 years of Labor Governments. Whether the institution of parliament has changed much is a different matter. My original paper observed the government and the parliamentary process with 'the innocent eye of a newcomer'. In 1975 the 'innocence' was already tinged with scepticism. That's because after years as a foot soldier of a party in Opposition one arrives in parliament with high aspirations, even idealism. These are fragile flowers, easily crushed, in the absence of protective wrappings. A healthy scepticism serves this purpose.*

*1975 was, of course, a different century and a very different political landscape. In hindsight the Whitlam Government represented a watershed in Australian politics of the second half of the 20<sup>th</sup> Century and in the nature and composition of the Labor Party.*

*It has been suggested by the American historian, George Lukacs, that the 20<sup>th</sup> Century really began in 1914 with the start of the Great War and ended with the collapse of Soviet Communism in 1989. The intervening period was dominated by two great 'peoples' wars, and competition between the powerful ideologies of Fascism and Communism.*

*The Whitlam Government of 1972-75 belonged very much in the political and cultural mould of that century. The continuation of the Cold War and emotional commitments to tottering ideologies impinged profoundly on the philosophy and attitudes of those who formed the first Labor Government after 23 years in opposition.*

*Ideological positions in the Labor Caucus were affected by attachments to class, tenuous influences of Catholicism and Marxist sympathies (mostly a legacy of the Labor split), trade union politics, resistance to change and efforts by the Left to identify with perceived new radical causes such as environmentalism and urban development. There were even alliances which*

*transcended positions on the political spectrum, such as the group named LOGS, an acronym standing for 'Labor's Old Guard Socialists', a group which seemed to revolve round resistance to 'smooth talkers' like Gough Whitlam.*

*Whitlam's achievement was to break the mould of the past, firstly by being elected and secondly by having created new policy agendas in his period in Opposition, leading up to the election of 1972.*

*The policy agenda embraced a new and different view of Australia's role in the Asia/Pacific region which went beyond the paradigm of the Cold War. It included an enlarged perspective of the role of the Commonwealth Government in education, health, infrastructure development, law reform and urban issues. In a sense it was 'catch-up' politics mulled over in the wilderness, an amalgam of dusted off 'gas and water' socialism, institutional modernisation and Libertarian values. It was a program which broadened labour's appeal beyond its traditional class base, capturing support from emerging political and cultural elites.*

*This new agenda was unpopular with conservatives and even some older members of the Parliamentary Labor Party. Recognition of China, the ending of involvement in the Vietnam War and Conscription, moves towards equal pay for women and the introduction of a universal health service were all issues which united the Labor Party in government. It was the issues involving attitudes influenced by the Cold War and nurtured in Opposition which quickly became divisive. These included the American alliance, industrial relations, wages policy, tariff cuts, fiscal policy and later rising unemployment.*

*In summary Whitlam endowed the Labor Party with a new and perhaps unrealistic view of the possibilities of Parliamentary Government. At the same time he was a pragmatist rejecting the ideological 'purity' of the past and presiding over the 'middle classing' of the ALP.*

*The changes which took place, the tensions of transition were reflected in the behaviour of politicians on both sides of parliament. Clyde Cameron, a Labor traditionalist, enjoyed himself rashly chiding the Conservative Opposition for 'born to rule' attitudes. The Opposition of 1975 characterised the Government as incompetent; people who had no natural understanding of governance. In the Senate, Reg Withers (later to become Leader of the Opposition) whose father had been a State Labor politician, indicated his preference for Labor politicians in the style of the Calwell era. He exploited tensions within the Labor Party with his attacks on the new university-educated Labor Senators. 'My father', he would say, 'would turn in his grave at the sight of you rotten parlour pinks over there. He was a real Labor man, not like you lot'.*

*There are of course reflections benefiting from the wisdom of hindsight which lends perspective if nothing else. Nobody in the early 1970's was able to foresee the forces which were destined to reshape the nature of politics both internationally and in Australia. The collapse of Communism, the triumph of American capitalism and the technological breakthroughs which hastened Globalisation were unimaginable. If these things had been foreseen would Whitlam's agenda have been different? Probably not much. It's possible, however, that the ideological tensions within the Labor Party would have been exacerbated.*

*The Whitlam Government, which suffered from the deadly combination of bad luck and bad management, is often characterised as having been strong on its program, weak on execution. The first suggestion is arguable, the second suggestion is an understatement. I hinted at this in my 1975 paper: 'In December 1972 there was a feeling of much to be done, old scores needing*



*to be settled, new policies implemented, and new methods of Government adopted. Hence the promise of open Government, and the proliferation of ministerial advisers and staff: a new world to redress the balance of the old. Much of this, of course, reflects the personal political style, energy and grasp of detail of the Prime Minister. In part it reflects a pent-up impatience build up over long years in opposition'.*

*All these matters and particularly the dominance and personality of the Prime Minister exacerbated the problems. I recall telling a psychiatrist friend in 1975 about the way the Prime Minister treated some of his ministerial colleagues. My friend was astonished. 'He seems', my friend said, 'weak on interpersonal relations'. Later, looking back on this period, I wrote:*

*To a newcomer the Whitlam government seemed something of a mess. There was an air of magnificent chaos. Observing it at close quarters one hovered between admiration and dismay. Key ministers, sometimes very good ones, were constantly changing positions. Others were dropped altogether. Newcomers of mediocre calibre were brought in. In caucus there were frequent brawls between ministers. Only six ministers out of twenty-seven kept the same job for the entire three-year period. Manufacturing industry was not a priority. It had four ministers in succession. The government seemed to lurch from crisis to crisis. The progressive foreign policy decisions, the establishment of a national health service, the sweeping reforms in education were lost sight of. Storm clouds obscured these enlightened initiatives. The corridors of old Parliament House were alive with gossip. One needed an interpreter to understand it all. Standing in King's Hall outside the Senate chamber I noticed a beautiful woman walking past. 'Who's that?' I asked Jim McClelland.*

*'That, son,' he replied, 'is our Watergate. She's called Junie Morosi.'*

*Bemused, I wandered off when no further explanation seemed forthcoming. As time went past countless mysteries like this one were slowly unravelled.*

*All this reveals is the uniqueness of the Whitlam Government, of Parliament under Labor between 1972 and 1975. I'm reminded of a character in a novel of Stendahl who 'found himself in the middle of the Battle of Waterloo without realising he was taking part in a cataclysmic event'. Somehow the Whitlam Government seemed like that.*

*One suspects that the Parliamentary Labor Parties of earlier times were more socially and culturally homogenous, though often ideologically divided. The uniqueness is also illustrated by a comparison with the Labor Party at the start of this new century. Politics in 1975 involved some ideology, some passion. The contemporary Labor party has powerful factions (using the labels 'Left' and 'Right') but no real ideological differences and not much passion. The Parliamentary Labor Party is less representative of a broad spectrum of community backgrounds. Tribalism has replaced ideology. Pragmatism, of the Whitlam variety, has mutated into opportunism. 'Parliament Under Labor' in 1972-1975 has no likely point of comparison since then or in the foreseeable future.*

*What of the institution of Parliament? In 1975 Parliament met in the Old (and temporary) Parliament House. It was cluttered, the roof sometimes leaked, the public spaces were small and overcrowded. Nonetheless it had a certain neo-colonial charm about it. This emanated from the architecture, the rose gardens where on special occasions members strolled like expatriates in Colonial India listening to the music of a brass band, and the magnificent vista across the lake. It seemed an appropriate setting for governments of limited achievement.*

*The 'old' Parliament House had a 'democratic' ambience about it although there were in 1975 few women members. The democratic feel came about largely because of Kings Hall which was central to the building in that one inevitably crossed it in moving from the Senate side to the House of Representatives side.*

*King's Hall was the place where the public intruded into the private world of politicians. It was the agora of the old parliament's idea of itself as a democratic institution. Access was unrestricted. Pensioner groups, delegates from regional centres, school children, tourists and protesters mingled like shoals of fish in a giant pond. Politicians darted in and out like goldfish testing the water; pausing in a warm spot, retreating from cold and hostile eddies. Alan Reid watched it all from behind the Magna Carta. (As it Happened: 1998).*

*During the period of the Whitlam Government both sides of politics seemed bemused by the new roles in which they had been cast. For long-serving Labor members there seemed to be an uneasy euphoria, for Conservative members profound shock at finding themselves in Opposition after 23 years. Even after the defeat of the Government Senator Withers who became leader of the Fraser Government in the Senate assured me he'd do what he could to help me 'because you are now where you belong: in Opposition'. Longer terms of subsequent governments have probably reduced those proprietorial attitudes on both sides of politics.*

*The move to the new and permanent Parliament House was necessary. It was also a mistake. From Capital Hill, the building dominates Canberra, itself a mistake made by an earlier generation of compromising politicians. Mussolini would have been proud of the building. As the American travel writer Pico Iyer has put it 'The new centre of Government looks like nothing so much as another of the countries sparkling new hotels'. It has, however, a different function. It's the centre of Government of a country with a strong democratic tradition.*

*The new Parliament House relies on segregationist principles. Politicians are segregated from the public (there is no King's Hall equivalent), Ministers (the Ministerial Wing) from Backbenchers. The courtyards are enclosed, the Cabinet Room a windowless bunker.*

*What about the proceedings of Parliament? It has always relied for its public profile on the talents and performances of its leading parliamentarians. They give it a public character. But behind the scenes not much has changed since 1975. The increasing complexity of political issues means that the record legislative pace set by the Whitlam government has continued. Divisions are more time wasting than ever because of the sheer size of the building. The Senate Estimates Committees have become more prominent but other Committee arrangements seem to have changed little. The evolution of parliamentary procedures one hoped for in 1975 is an extremely slow process if, in fact, it is proceeding at all. Perhaps the hotel analogy of Pico Iyer suits the new generation of politicians. On one side predominantly refugees from the accounting and finance sector, on the other middle-class apparatchiks from politicians' offices and trade unions. The managerial revolution is alive and well on Capital Hill. Amongst them there are few who could be described as stylish or witty. Few wits: as an observer I indulge in some nostalgia for the passion, the style, even the managerial shortcomings of Parliament under Labor at the time of the Whitlam Government.*

### III. RECONSTRUCTING THE MACHINERY

This was the time when the idea of dramatic reconstruction of the machinery of government came into vogue, not to downsize government as is too often the case more recently, but to make it more effective in creating change and improving society. It was also a time when ideas were sought from outsiders rather than wisdom assumed to reside in the collective intelligence of existing bureaucrats and politicians.

DAVID CORBETT sets a wider context in his response on South Australia:

*The report my paper described as something of a trend-setter. Don Dunstan foresaw benefit to the public from enquiring into and then shaking up parts of the public sector, and in this he was followed by Hamer (the Bland report – APSA paper by Jean Holmes), Whitlam (Coombs – paper by Peter Bailey) and Wran (Wilenski – paper by Gerry Gleason). ...*

*The Report was regarded as rather conservative compared, for example, with Wilenski's, but then ours was substantially adopted and implemented whereas a large proportion of Peter Wilenski's recommendations were adopted en bloc (notably by Gerry Gleason, head of the Premier's Department, with Premier Wran letting it happen. Bland's report was reactionary compared with ours.*

*The Report of the Coombs Royal Commission was, like ours, a mixture of some novelty and a lot of tradition. Coombs and his colleagues, however, had the misfortune to miss the Whitlam bus and reported to the Fraser government which was not much interested in public sector reform.*

**GERRY GLEASON, writing from the perspective of someone with continuous engagement in public sector management, offered an in-depth response on Wilenski's report on NSW:**

1. *This was a review of the machinery of government in NSW carried out in an unusual way in that it involved Ministers, public servants and up to 50 business men on various committees. Such a review was manageable in a State administration but probably would not be suitable for in the Federal arena.*
2. *The review was directed at revitalizing an administration where the government had been in office for ten years and the new Premier had firm ideas that dead wood could be pruned and economies could be effected by restructuring departments and by trying to ensure that functions could be eliminated where possible.*
3. *One advantage of this review was that it enabled Ministers and public servants to work together. This did help to break down rivalries between administrations although naturally everybody was trying to look after his or her empire.*

*Outcomes:*

4. *The most positive outcome from the review was the Cabinet restructuring and the attempt (based on Ontario) to streamline the operations of Cabinet. The government only stayed in office for about 18 months but in that period they did try to make this work.*
5. *When Labor came to office the same cabinet system was adopted but with one major exception, namely that instead of matters being processed through the sub-committees of the Cabinet, Premier Wran took the view that it was preferable to have all matters go to Cabinet and then refer them back to the committees where further discussion was desirable.*
6. *The new structure provided for a Policies and Priorities Committee made up of the Premier and his senior Ministers. This Committee did work effectively during the Wran era. It was used really as an Executive of Cabinet and came to be accepted by other members as truly an executive at which major decisions were going to be made.*
7. *These Cabinet sub-committees resulted in Ministers being required to work together in a more collegiate way. It is my experience that Ministers really do not like working together and this at least alleviated that problem.*
8. *Another important outcome was the requirement for corporate plans and management audits. This may seem "old hat" today where the emphasis has now changed to business plans and business strategies. At the time, however, it was an important change to departments administration.*
9. *There was also the proposal that there should be management audits of departments and agencies. This was effected through the Public Service Board. This also has now been over-run by Treasury supervision of business plans, budgets and strategies and also by the new intrusive role of Auditor-Generals in assessing the performance of departments.*

*Retrospect:*

- 10. In retrospect, the attempt to make Cabinet more efficient and effective was a good one and had some good results. Anecdotal stories abound about Federal and State Cabinets and the inefficient ways in which they operate and the way in which certain decisions are made.*
- 11. Requiring Ministers and Heads of Departments to work in a cooperative fashion had a good impact.*
- 12. The changes that were made did not result from any particular theory of administration. Over the past 20 years when there have been Cabinet reshuffles and changes of administrative arrangement I am amazed at the rationales often presented or Premiers or Prime Ministers for such re-arrangements. The fact is, Prime Ministers and Premiers are saddled with Ministers and they just have to make the best they can do.*

*This enquiry moved away from traditional enquiries where there was a preoccupation with inputs to administration rather than outputs. Successful enquiries across the States and federally had concentrated on matters such as recruitment, training, economy and efficiency. We have now moved on from there. There was no discussion at this stage of economic rationalism and their approach to administration.*

**JEAN HOLMES** made the following comments on Bland:

*In terms of the test of time and in the Victorian context, the concluding paragraphs of my somewhat wordy and turgid paper (probably a consequence of immersing myself in the Bland Enquiry Reports) proved singularly prophetic by the end of the Cain Labor government period in 1992. In the early 1970's Sir Henry Bland was highly critical of the state's 'disorderly organizational structure'; he was equally insistent that the only effective public sector reform process was one which placed the discharge of the functions of government under the direction of Cabinet Ministers in charge of departments staffed according to clear public service directives.*

*In 1975 I suggested that administrative reforms which pushed centralized ministerialisation too strongly in the Victorian context might well result in policies as dysfunctional as those which emerged from the prevailing fragmented structures – the Tricontinental merchant bank debacle in 1989-90 which was to cost Victorian governments a staggering 2.5 billion plus in irrecoverable losses was all too poignant proof of my reservations.*

*My 1975 paper addressed issues in Victorian government only. The Cain govt's administrative reforms on assuming office in 1982 put an emphasis on strong corporate management structures under firm Ministerial direction; responsibility for policy formulation and direction, overall control and accountability was all to be vested in the ministry. These reforms owed much to the Bland recommendations for direct ministerial control as the pathway to administrative efficiency.*

*Cain Labor also intended to implement the visionary economic policies proposed by the Chifley post-war federal Labor government. The ideological fervour of their first policy document with their emphasis on government generated resources in quantities sufficient to meet Labor's social justice goals seems very reminiscent to me of the first hundred days euphoria of the Whitlam government era. The question I posed then concerned the outcomes of the Cain years, and seems to me to be as equally relevant to the Whitlam federal Labor government's record. Perhaps it is time to answer the question from other than the perspective of party conflict.:*

*"How did a government so convinced of the merit of its economic and financial reforms, and of the moral worth of its program for social change fall into such disarray?"*

## IV. RECONSTRUCTING FEDERALISM

In her broad-ranging 1975 paper on federalism, Joan Rydon indicated the significance of party systems for the understanding of the nature of conflicts then dominating the political landscape. In retrospect, she suggested that her remarks then had stood the test of time although there had been no confrontation on the same scale as those of the Whitlam years. The reallocative effects of the GST were identified as the major engine of change for the future.

Several papers in 1975 dealt with the specifics of Commonwealth-State relations, all reflecting on the sense of adventure and uncontrolled enthusiasm for change. The responses from authors share a common sense of disappointment with echoes of Wildavsky's famous implementation study.

BRUCE DAVIS on the Bell Bay Railway typifies the tone:

### *The Bell Bay Railway Revisited*

*Those who warily tread the slippery slopes between academia and part-time policy advice within government are well aware of the enormous gap that often exists between political rhetoric and administrative reality. They are even more alert to the dangers of 'fast-tracking' development, where normal safeguards are swept away in the haste for expedient ends, usually resulting in disaster of one form or another. Nowhere is this better illustrated than in Tasmania, where the Bell Bay railway debacle, the Gordon-below-Franklin Dam disaster and the Wesley Vale pulp mill proposal shows the trend continues, whatever political party is in power at the time.*

*The Bell Bay railway proposal was a classic example of State expediency, hoping to cash in on the tranche of Federal funds the Whitlam Labour government made available for regional development in the early 1970's. Neither government was interested in niceties, both wanted to push ahead virtually irrespective of opinion and with little sense of priorities. It is not surprising therefore, that both sides conjured project estimates out of thin air, that both sides thought they were talking about similar things, when there were significant differences in projected figures and nobody had actually carried out detailed investigations of the proposed route of the railway line. The end result was that construction crews had to blast through solid rock and cost estimates were blown to smithereens. The post-mortems appeared salutary at the time, but have been ignored on several occasions since.*

*Looking back, it is difficult to recapture the spirit of change and adventure the Whitlam era invoked; it certainly was 'time' for new horizons, but in the flurry of initiatives and spending which ensued, chaos gradually arose, aided by entrenched interest, and the dream faded. At State levels competition for development and inability to manage the federal funds provided led to enormous waste, so little was achieved. Yet some ideas did take root; for example the notion that the Commonwealth should be involved in environment affairs and that social programs had to differentiate according to specific needs. But regional development proved too costly relative to achievement, besides State governments argued they should handle regional affairs. It was a brave era one remembers with affection, even if the outcomes were less than Australian's hoped.*

*Could the Bell Bay railway debacle occur in today's world?*

*Yes, but in a different form, if one takes the recent Oceanport saga in Tasmania as an example. Here all faith was placed in a private enterprise solution, without anyone doing the initial homework to check out the proponents, the principal executive turning out to be a multiple bankrupt. It was only when the checks and balances of the Resource Planning and Development Commission were wheeled in, that the earlier errors by Ministers and some State agencies were revealed.*

*In terms of Australian political studies, the paper about the Bell Bay railway reveals the limited methodological and theoretical perspective's of the times. It was a straight forward piece of research using case-study methods, with the end lessons falling out of the narrative. Today we would have all the armoury of policy studies at our disposal to make more of it, but at the end of the day what happens in government continues to be more about peoples perceptions and actions than rationalistic evaluation. That is a lesson we should continue to take to heart.*



RALPH CHAPMAN's subtitle to his AAP paper – “ a study of ineffective planning” continues the theme.

*My paper on “The Australian Assistance Plan: A Study of Ineffective Planning” voiced my disappointment that an opportunity had been missed. It is not easy to reconstruct for anyone not involved at the time the surge of optimism felt by those interested in social policy. The election of the Whitlam government after 23 years of Coalition government (but more particularly the disastrous six years after Menzies, with Holt, Gorton and McMahon) came as a breath of fresh air. Not only did it seem to be the Australian aftermath of the American and European reform movements culminating in 1968, it also reflected an Australian electorate that wanted to be part of the decision making processes.*

*Whitlam has characterised the emphasis of his social policies in favour of community participation as “the doctrine of positive equality”. (G. Whitlam, The Whitlam Government 1972-1975, Viking Penguin Books Ringwood Victoria 1985:p.3.) Participation was important because in his view the quality of life was not measured by what an individual could purchase but rather what could be provided by the combined resources of the community. My paper responded to what I saw as the distortions of this vision as the Social Commission set to work on the Australian Assistance Plan and its implementation.*

*The aim of the Plan was not to provide service but to put the policies in place by developing objectives, goals and evaluation for social planning at the community level. I isolated three reasons for poor achievement which I think are still relevant today in many areas in which the States have constitutional responsibility but the Commonwealth has invaded through the problematic separation of policy and implementation (the old policy / administration dichotomy). This opportunity has been provided to the Commonwealth by its control of the purse strings and, until recently, the lack of any desire to limit this control. Examples of this phenomenon have been found mostly in areas such as social welfare, health and education but today it has spread to transport, policing, company law, family law, environment and agriculture amongst others. The latter areas in particular have been subjected to considerable policy pressure through inter-jurisdictional ministerial councils. (JMC. I have elsewhere called these ‘moderating institutions’. “Intergovernmental forums and the policy process” in Brian Galligan (ed.) Comparative State Politics, Melbourne, Longman Cheshire 1988).*

*Dividing the tasks of policy making and planning from implementation not only in different organizations but also between Commonwealth and State bureaucracies remains a major problem of federation. The idea was not started by Whitlam, in a much more modest fashion it began under Menzies in post compulsory education policy. The establishment of such arrangements made uncritically rapid progress during the Whitlam period and has carried on since then as States have been subjected to external demands for ‘national’ policies in practically everything they do. However, the Whitlam government exacerbated the situation by not trusting the capacity of the Commonwealth public service to adapt to these new demands and setting up commissions outside the service to formulate and monitor their policies. As I noted in my AAP paper this led to much uncertainty because the commissions did not have resources to follow through all their tasks and had to rely on Commonwealth and State line departments.*

*In addition, there was a sense of urgency to get things done after waiting so long for the opportunity. "Short-termism" has become a matter of cynical expectation today but after 23 years of conservative, relatively slow moving Commonwealth government activity it was something of a culture shock to all concerned in 1972. This was not only the case for the Commonwealth bureaucracy but it was also one of considerable concern for state governments and public services. States were not ready for the removal of the strategic political advantages that came from allocating resources in their own jurisdictions. They were ever ready to accept federal funds but not the directions on how to spend them nor on the dollar for dollar conditions.*

*One legacy from this period which may not have occurred so quickly, or perhaps not at all, was the emergence of a much more self-confident local government sector. The defacto and de jure recognition of their status as a partner with state and commonwealth government in a three tiered federal system has made a major contribution to a resurgence of interest in local affairs. Communities have realised they can make a difference to their own quality of life.*

*Unfortunately state and federal politicians have been less than enthusiastic about losing some of their power to the community. Participatory programs are now more likely to take the form of community consultation once the policy has been formulated rather than the community being involved in developing the policy. As a result the preference for universal solutions supplied by government or state agencies, irrespective of diverse needs and conditions has dominated policy-making with adverse consequences in implementation as competition policy has exemplified. (See for example, papers in AJPA 55(2) 1996 and a critique by J. Quiggin "The future of Government: Mixed Economy or Minimal state?" AJPA 58(4) 1999:39-53).*

*The conclusion of my AAP paper is still valid. There has to be mutuality of aims, cooperation and goodwill on all sides and proper resources for success in any program of this intergovernmental type. These pre-conditions are not likely to exist in a federation where the three spheres of government operate adversarially or where the policy is divorced from implementation. Whitlam was right when he claimed that the policies of his government were about a 'new federalism', although perhaps not a federalism for federalists. The attempt to bring local government into the governing system and to create a more cooperative framework was laudable but did not succeed for a variety of reasons. One of which is that we are not much further along the road to understanding our federation and its intergovernmental relations. I am disappointed that the literature of Australian politics now seems to be so much issue and management based that the study of and commentary on federalism has almost disappeared.*

Finally, there are obituaries for two entities caught up in the Whitlamesque enthusiasm for creating a viable structure of regions and local governments, seen as a bypass operation to defeat the recalcitrance of state governments.

TREVOR AND DAVID KANALEY wrote on Regionalism on the NSW North Coast and report on its demise on a predictable pessimistic note:

*The Paper's Basic Proposition*

*Over time numerous efforts have been made by the Australian, State and local governments to establish regional forms of government and administration on the NSW North Coast. The initiatives have all been based on the need for more efficient and planned use, distribution and management of resources. They have ranged from bureaucratic structures to coordinate administration of services, to processes for broader community participation (though usually on an advisory basis to existing levels of government).*

*The paper presented to the APSA Conference in 1975 put the position that for "the 'new regionalism' to be effective, then a single regional organization for the whole North Coast must replace the present State and Australian Governments' organizations". Such an organization would have to be representative of local interests, rather than imposed by more central governments, and adequately resourced.*

*What has happened to the 1975 'New Regionalism'?*

*The 'new regionalism' models of the NSW and Australian Governments' in 1975 have all but disappeared. The North Coast Region established by the NSW Government in 1972 still exists for some, but not all, administrative purposes. The North Coast Regional Advisory Council has long gone.*

*The 1975 Labor Governments attempt to decentralise government, administration of services and resources did not continue beyond the time frame of Labor's period in office. While some modest regional programs are presently being undertaken, the central pillars of the 1975 Labor Government's initiatives have been abandoned by both Liberal/National Party and Labor Federal governments.*

- *The Ministry of Urban and Regional Development was abolished*
- *There is now little attempt to coordinate the provision of Commonwealth Government services on a regional basis or to actively undertake local consultation on resource allocation issues. (For example, the voice of local interests was not a consideration in decisions to close Centrelink offices or restructure and relocate employment services in regional Australia).*
- *The policy process now only considers regional issues if they have direct impact on the ballot box. (A second Sydney airport and workers entitlements on the closure of key regional industries, following the National Textiles Ltd. Affair, are examples). The Australian government has little, if anything to do with current North Coast regional initiatives...*

*Conclusion*

*As in 1975 it remains true to say that the development of regionalism is a function of common community interests, consistent policies, adequate resourcing and time. On the North Coast, regional initiatives continue to develop and die out almost regardless of the policies of more central governments. What is lacking now, as it was in 1975, is:*

- *Coherent, consistent and on-going policies by governments and community organizations drawing together grass roots private and public sector interests at the regional level;*
- *The willingness of service providers at federal and state levels to devolve administration to the regional level through processes involving community participation;*
- *Consistent and on-going local government support and participation; and*
- *Adequate and on-going resourcing to allow regional policies and programs to be implemented.*

*Where to from here?*

*History shows that there is a clear interest in regionalism on the NSW North Coast and most particularly in the Northern Rivers. It stops and starts and gets nowhere. Possibly the message is that, if regionalism delivered sufficient benefits, it would have happened by now.*

*It is an indication of the death of regionalism that no political party is presently proposing a coherent regional agenda with more decentralised government, administration and resources to address this divide between metropolitan and regional Australia.*

JON ROBBINS tells a similar story about the end of the Hindmarsh Council.

Hindmarsh - 25 years after

*Hindmarsh no longer exists as an administrative entity. The local government reform proposals, just mooted at the time of the paper, finally took effect in 1995 when Hindmarsh merged with the much larger City of Woodville. The small beachside and quite affluent LGA of Henley & Grange, after much resistance, was also merged in 1998 to create the City of Charles Sturt.*

*Not only are the problems of Hindmarsh submerged in the much enlarged City of Charles Sturt but the Woodville area with its emphasis on old manufacturing industries has developed problems of its own with the contraction and closure of much of its industrial base. Henley & Grange continues to have a council branch office. There is no council presence in Hindmarsh other than a branch library.*

*The Town of Walkerville, the very affluent small LGA, across the parklands from Hindmarsh has resisted all attempts at amalgamation. Privilege defends its interests more effectively than poverty. The extent of poverty of Hindmarsh has been reduced by the development of new town-house estates on derelict industrial sites and the renovation of the better housing stock. With the closure of many industries, particularly those engaged in toxic trades, the inner suburban location of Hindmarsh, adjacent to the parklands, has encouraged a mild degree of gentrification. Some of the sites turned out to have toxic residues which generated a campaign of political activism among the new residents.*

*The other notable development in the area has been of entertainment venues - again encouraged by the vacant industrial sites. The Adelaide Entertainment Centre is in Hindmarsh and the Soccer Stadium has been upgraded and will act as an Olympic venue. Just over the border in the old Woodville area is the main basketball stadium and to the west of that the West Lakes AFL stadium. While the provision of bread is sometimes in doubt there is an ample supply of circuses! The presence of the entertainment venues drawing audiences from the entire metro. area and even inter-state decreases the sense of 'localism'.*

*There are some residual legacies from the 1972-5 era. Grants to local government have become a standard part of financing and have become less of a vehicle for 'grantsmanship'. 60% are general grants fixed by a Grants Commission and many of the specific grants eg. for libraries have a formula base.*

*One other survivor is to disappear this month. The DURD regions, despite some vicissitudes, continued to operate in SA. The Western Metropolitan Region is about to disband on the grounds that the mergers have made it redundant.*

*There is little focus any more on identifying 'problem' areas and treating the problem by improving the area. The main emphasis is on identifying and treating specific categories of deprivation.*

*A curious continuum from the 1972-5 era identified in the original paper is the ultimate victory of 'innovation' and the managers, professionals and consultants who reaped benefit from it, regardless of its impact on the problems it was supposed to ameliorate. The radical-antibureaucratic element has retreated to environmentalism; the conservative-traditionalists, who initially appeared to have won the day with the dismissal of Whitlam, have retired or been*

*made redundant. The progressive- 'trendy' have ultimately triumphed - destabilising all in their path, achieving nothing demonstrable but rewarding themselves well along the way.*

*Symbolic of the trend is the conversion of the old Hindmarsh Council Offices to a High-Tech Education Centre run by the S.A. Department of Education in conjunction with the University of Adelaide.*

*Mention might also be made of the Multi-Function Polis - the high-tech urban development to be build on contaminated wasteland adjacent to Port Adelaide, another social 'problem area' of the 1970's. Millions of dollars spent on astronomical salaries and consultancies and now... nothing.*

*Local government has seen massive amalgamation, electoral reform, radical administrative reform - the result was to be reduced costs, enhanced participation, greater efficiency, enhanced functions. There has been no systematic evaluation but such evidence as is available indicates substantial rate rises, lower rates of participation, no increase in functions and no apparent improvement in service delivery. Councillors and particularly mayors now receive substantial allowances. Senior council officers, with salaries linked to the rate base, have seen their salaries soar with amalgamation.*

*The main observation I would make is that there is evolution in all things (most things?) and changing urban geography has produced a different set of circumstances in Hindmarsh (and elsewhere). At the same time deliberate structural change, as in the case of local government amalgamations, and a changing political and bureaucratic culture, has modified the way the 'problems' are identified and treated.*

## V. WICKED PUBLIC POLICIES

There were four policy issues discussed in 1975 which have not gone away: health services, income support schemes, industrial relations and tariff reform/ national competition policy. Each of the four authors have taken the opportunity to review their contributions:

One of the truly intriguing papers in 1975 was given by a medical practitioner - an activist on the General Practitioners Society of Australia. Here is PETER ARNOLD's commentary:

*Reviewing one's 25 years-old forecasts is an unexpected privilege. Did they eventuate? The original paper was not short on prophesies about Medibank<sup>1</sup>, the Australian Medical Association, the Royal Australian College of General Practitioners, and the GPSA itself. One forecast was hopelessly wrong. A summary of each forecast follows and then my view of what eventuated.*

*Medibank:*

1. *The 'moral hazard' of insurance would lead to excessive demands on the health services and the federal government would be forced to bring about some forms of controls.*

*Without payment at time of service, Australians have increased their use of health services. The public feels entitled to everything 'free'<sup>2</sup>. It was argued that unmet need accounted for initial growth. Against that is continuing increase, unabated for 25 years. Proof is governments' dampening utilisation by controls on supply—numbers of doctors and hospital beds; and on demand—'user-pay' contributions for pharmaceuticals, once 50 cents, now exceed \$20. Government increasingly attempts to stem overutilisation by prosecuting doctors who 'overservice' or 'practise inappropriately', via the Professional Services Review<sup>3</sup>.*

2. *Government controls would interfere with the doctor-patient relationship and influence the way in which doctors practise medicine, limiting rather than increasing patients' freedom of access to services .*

*Bulk-billing and encouragement by Labor of the 'medical entrepreneurs', eg Geoffrey Edelsten, led to an attitude of "seeing a doctor", whichever was on duty, rather than "seeing my doctor", the pre-Medibank norm. The success of 'free' clinics led to the collapse of neighbourhood practices. It opened the way to 'vertical integration', 'one-stop shopping' or 'convenience' medicine. The 'entrepreneurs' followed Woolworth's and Franklin's with 'loss-leaders', namely GP services, while reaping profits from pathology, x-rays, ultra-sound and specialist consultations.*

*Early in Medibank's life, GPSA members had prescriptions over-printed with a warning deeply resented by Canberra bureaucrats:*

*'WARNING: The information on this prescription is processed by government computers and may result in invasion of your privacy.'*

*Lo and behold, all prescriptions now issued by the Department state:*

*"The information recorded on this form and details advised by the Department of Social Security and Veterans' Affairs will be used to assess your entitlement to benefits under the Pharmaceutical benefits Scheme and to determine payments due to pharmacists. The collection of the information is authorised by the National Health Act 1953 and is usually disclosed to the Commonwealth Department of Human Services and Health."*

- 3. Government controls on a guaranteed floor price for GPs' services would lead to increased turnover and a correspondingly lower standard of practice.*

*Before Medibank began, David Cunningham and I wrote an unsigned article, 'How to rob Medibank blind<sup>4</sup>, in The Australian GP. We wanted it judged by content, not by its authors. It was run, in full, by the Sun-Herald across its middle pages. The Minister's and the AMA's responses were that such things wouldn't happen in Australia!*

*Bulk-billing by GPs rose inexorably, reaching close on 90%. Faced with fixed fees, GPs increased their through-put of patients. In 1975, a GP was very busy if he averaged 40 patients daily. Today, the Professional Services Review criterion for investigation is 85 per day<sup>5</sup>.*

*GP diaries in the 1970s commonly provided for 15 minute appointments; current books reserve 10 minutes. Although 'measuring quality' is difficult, it is recognised that the most reliable indicator of the quality of general practice is the length of consultation time.*

- 4. Medibank would inexorably widen the gap between private and public care and lead inevitably to a two-tier scheme.*

*This prophecy is proven by the advantage enjoyed by Australians with private insurance: prompt surgical attention. Others meet lengthy waiting times for public hospital admission.*

- 5. Medibank will not live up to expectations because of inherent weaknesses of "free at point of service".*

*Although Australians relish attending a GP or specialist, and having pathology and x-rays, at no charge, there is widespread dissatisfaction with waiting times for 'free' hospital services—the keystone of Whitlam's policy<sup>6</sup>.*

*The AMA*

*Widespread discontent between 1968 and 1987 led to many resignations. Bill Hayden's 'sympathy' for an AMA threatened by the maverick tactics of the GP Society<sup>7</sup> was not misplaced. In 1975 I reported our failure to change representation of doctors from a State to a 'craft' basis. Robert Cotton, reporting on it structure, endorsed our views. With the adoption of a new constitution in 1988 came a massive and continuing increase in membership<sup>8</sup>.*

*The RACGP*

*Its political role, always hotly denied, became entrenched with its funding by the federal government as the sole training authority for general practice and its involvement in the 1999 financial understanding with government.*



*The GPSA My signal error lay in forecasting its future success. In 1985, it opened its membership to all private doctors and changed its name to Private Doctors of Australia. Its numbers and influence have progressively dwindled.*

*End notes:*

- 1. I make no attempt to differentiate Medibank from Medicare, its natural successor. My 1975 comments referred, of course to Medibank; my current comments to Medicare.*
- 2. Robert Samuelson has called our century "the Age of Entitlement". *The Good Life and its Discontents: The American Dream in the Age of Entitlement*, 1997, Vintage Books*
- 3. Declaration of interest: as an AMA Federal Councillor in the 1990s, I was on the original group which attempted to tighten the legislation and was Chairman of the working party in the 1998 review of the legislation.*
- 4. January 1976*
- 5. A figure reluctantly agreed to by the AMA*
- 6. "A Labor government would not set out to nationalise doctors, but it would establish a national hospital system." Address at the Royal Prince Alfred Hospital, 5 July 1968*
- 7. National Press Club address, October 1973*
- 8. From 17,000 in 1986 to 27,000 by 1999. Many GPSA/PDA members came to occupy high office in the new AMA.*

**JIM CUTT and JOHN DIXON, economists both and now continents apart, provided a comment which reflected on the “wicked nature” of policy areas involving public spending on social security:**

*This paper remains robustly relevant to contemporary social security policy issues. Its focus was on the potential—but not inevitable--trade-off between the equality and efficiency dimensions of social security policy. Perhaps indeed the paper was actually before its time, because the economists who drove the neo-liberal policy agenda after Whitlam and who subsequently came to dominate social security discourses in Australia gave little attention to the social security debates engaged by the reforming Whitlam government—to its credit.*

*The debate was active: remember the startling study by the liberal economist, Ron Henderson, in the late 1960s that condemned Australia's social assistance system; remember Percy Harris's plea to liberalize the means test in order to remove perverse incentives.*

*Now what the Whitlam government actually decided was another matter. Social security benefits were dramatically increased, the means tests were liberalized, and holes in the social security safety net were plugged. All very commendable, but equality took precedence over efficiency, the heart governed the head, and “doing good” held full sway. Well, the snag is that doing good and doing well are inter-related, and it would have been helpful if the hard-nosed economists had used some of their economic rationality cudgel to ponder the role of perverse incentives in causing poverty traps, costly dependency on public provision, and the erosion of incentives to self-sufficiency and dignity.*

*In any event, our crystal ball—a now crude but then sophisticated dynamic simulation model which had an impressive capacity to model past the consequences of past social policies—told us that the crunch would come, and that equality and efficiency would emerge as conflicting objectives. We were right. But what we were doing--grappling with the dynamics of the equality/efficiency trade-offs in social policy—was quite unfashionable for economists then. It was also, by the way, unfashionable for, or certainly beyond the grasp of, the social advocates: the sociologist in the Ministry of Social Security who read our results dismissed them as irrelevant.*

*It is ironic that the debate is still unfashionable; what happens now is that the equality (distributive) implications of economically efficient policies are conveniently ignored. Perhaps their incorporation would clutter the presentational elegance of the sophomoric mathematical manipulations of the economists at ANU and elsewhere.*

*Yet we did miss one boat, maybe two. With respect to the first, we chatted about the selectivity versus universality principle; we wondered about contributory versus non-contributory principles; and we actually engaged the prickly issue of poverty alleviation versus income redistribution. But we did not even contemplate the debate on public versus mandatory private provision. After Chile lit the flame in 1981, the British and U.S. governments leapt aboard—and Australia followed suit.*

*What about the second boat? Well, we were at pains to emphasize—admittedly in the light of the pretty clear historical evidence generated by our model—the conflict between equality and efficiency. What we did not stress, but should have at least discussed, is that the two goals need not be in conflict. Self-evidently over the longer haul, doing well (efficiency) is a pre-condition of doing good (equality). The extent of real generosity depends on the fullness of the pot; there is not much point in equal shares in nothing.*

*But it is also true that intelligently defined social policies can recognize incentive (and dignity) matters and contribute directly and positively to economic efficiency; so also if economic efficiency policies are to be viable, not to say humane, in the longer run, they had better recognize and deal positively with matters of distribution. It remains a sad commentary on the social policy debate that this felicitous potential complementarity still does not seem interesting—boring perhaps to the efficiency advocates, ideologically compromising to the equality folks. The politics of compassion can be integrated with the politics of efficiency; the politics of envy cannot.*

*But we should not end this retrospective comment without acknowledging the contribution of the Whitlam government. The 1972-74 period was a watershed for Australian social security. It shed its veneer of residualism. It introduced the foundations of a new model to the global social security stage which came to fruition in the 1980s: a public assistance system that could be focused on poverty without producing the stigma that reduces take-up rates (the proportion of those who enrol in the programs to the eligible target population) to the extent that rendered ineffective public assistance programs in Europe and North America because of their Poor Law components.*

*It was a system where selectivity meant affluence testing not poverty testing; a tax-financed system that did not over-tax the later Hawke/Keating governments' will to support those most in need; a system where beneficiary expectations were modest in comparison with the high income replacement models in Europe, whether corporatist or universalist. This is a distinctive legacy of the Whitlam government.*

RUSSELL LANSBURY offered the following response on industrial relations:

*.Has the paper stood the test of time?*

*I think that the issues in my paper are still central to the political scene today. The three key issues which Whitlam promised to tackle are still those facing Beasley. Namely: the role of government in IR, the reform of the IR tribunals and the future of trade unions.*

*IR was a major problem for the Whitlam government as Cameron presided over (if not encouraged) a major wage hike. He was removed largely because he was perceived to have failed in this area.*

*The Hawke government learned from this experience and used the Accord to keep control over union wage demands. But the issue of union-ALP relations in regard to IR still remains a key problem for Beasley, especially given the disenchantment of the union movement with the Accord (which is blamed for a decline in real wages). As my paper in the Drawing Board suggests, I believe that any future ALP government will have to reestablish a 'social partnership' with the unions in order to gain and hold power.*

*Link to the retrospective evaluation of the Whitlam government's contribution to public policy?*

*I think that the failure of the Whitlam government to match their promises with performance is still haunting the public policy debate concerning IR. One of the enduring legacies of Cameron was in the training area. His attempts to get 'active labour market policies' on the agenda of public policy. While the government was not successful in achieving its goals in this area, it made considerable gains which were later extended by Hawke and Keating. It is an issue which could be a 'winner' for Beasley in his attempt to put education and training agenda for the next election.*

*I think that the Whitlam government deserves credit in this area. But it largely failed in the areas of wages policy, and reform of the industrial tribunals (which has been a major concern of the Howard government). Union amalgamations were later achieved in the Hawke era but they did not reap the rewards which the Labor movement expected. The sceptre of a 'wages breakout' of the kind that occurred under Whitlam and Cameron remains a problem for Beasley and any other future Labor leader.*

*The state of Australian political studies in 1975 compared to now?*

*This is difficult for me to assess. I think that IR and political studies have not really been very well integrated. The U of Qld is probably the only Dept of Political Science where IR issues have been seriously integrated into the study of politics (due to people like Paul Boreham and Geoff Dow). Yet I think that many scholars in the IR field now draw more heavily on political science (and political economy perspectives) than on other disciplines.*

DAVID CHARLES, then a bureaucrat and now with the Allen Consulting Group, suggests that the tariff debate was first stalled under Fraser and then overwhelmed by wider reform:

*A Strategy for Tariff Reform reflected the time it was written and the fundamental position of the writers which was in support of tariff reform. Following the seminal decision in July 1973 to cut tariffs across the board by 25 per cent, the economy had entered into a recession in 1974 and this had a major influence on attitudes towards tariff reform.*

*There was a general loss of faith in its benefits and an exaggeration its costs; for a while the 25 per cent tariff cut became something of a term of abuse in political discourse.*

*A separate influence was the experience with the Industry Assistance Commission's report on the automotive industry in 1974 and approaches adopted to the textiles, clothing and footwear industries in 1974/75. This experience suggested that these large, sensitive industries were almost certainly going to require special approaches if tariff reform was to apply to them.*

*Where did the paper have something to say?*

*The first point is that the paper took the view that the intellectual case for tariff reform in Australia was overwhelming — the issue was not whether tariff reform should take place, but rather how it should be carried forward.*

*The second point was that special treatment was needed for large, sensitive industries such as automotive and textiles, clothing and footwear. Such industries because of their size and importance both in terms of regions and employment, had the capacity to mobilise a high degree of resistance to change and accordingly a sophisticated strategy needed to be developed if reform was to occur.*

*The experience with the automotive industry in 1974 showed that it was not possible in Australia at the time to prescribe necessary structural change with the "stroke of a pen". Microeconomic reform at the industry level is an inherently complex and demanding undertaking. The Button plan for the automotive industry introduced in 1984 contained many of the characteristics laid down in the 1975 paper for pursuing successful tariff reform.*

*The third point was that making progress with tariff reform required developing a better public presentation of the benefits such reform would bring. It was not enough to present an entirely negative case based on the costs that the tariff was imposing on consumers and export industries. A more positive case based on expanding the economy growth capacity was needed.*

*The final point is that as the tariff had played a multiplicity of roles, it was likely that other instruments would need to be developed if objectives considered valid were to be pursued.*

*What didn't the paper see coming?*

*At the time of writing it was not expected that the whole process of economic reform of which tariff reform is a part would go into a holding pattern for most of the period of the Fraser government. While attempts were made to put major economic reforms on the agenda (the Campbell Report on the financial system and the Crawford Report on trade and industry being*

major examples), there was no real will by the then Prime Minister to proceed and he was not pressed by the then Opposition to do so.

The big bang in terms of economic reform took place in 1983 following the election of the Hawke government when it was decided to float the Australian dollar and to move towards full financial market deregulation along the lines proposed in the Campbell Report. This represented a giant step along the road to integrating the Australian economy into the World economy. It opened the way for the tariff reform process which was to follow.

One of the consequences of the integration of the Australian capital market to world capital markets was the strength it gave to the 'voice' of the capital markets and the financial (and Sydney-based) press, especially in the Fairfax press such as the Australian Financial Review and the Sydney Morning Herald. The financial press was overwhelmingly in favour of tariff reform and some of its leading lights raised tariff reform to a position where it became seen as a necessary condition for granting the government a seal of good financial management.

A further important development was the creation of the Business Council of Australia and the strong voice achieved within it by the Australian mining industry which was itself a powerful supporter of tariff reform.

In practice, the Button car plan of 1984 can be seen as a turning point in the reinvigoration of tariff reform. The decision to eliminate tariff quotas and local content plans and gradually move to a tariff only regime sent a clear message that even in the then highly protected automotive industry, tariff reform was possible. A subsequent decision to slash chemical tariffs was a further reinforcement of this message. The major devaluation of the Australian dollar which took place in 1985 led to sustained calls for general tariff reductions. In the event, the Hawke government, through its 1988 decisions on automotive tariffs and the general program of tariff reductions (which set out a program to reduce tariffs to 15/10 per cent) made manifest to all the reality of tariff reform.

#### The Whitlam Government Contribution

The Whitlam government has not gone into the history books as good economic managers. Their management of the difficult macro-economy, heavily influenced by the first oil shock and a lot of outdated economic policy baggage, was less than impressive. It was only in the early part of 1975 with the establishment of the Expenditure Review Committee of Cabinet that steps were taken to put in place more appropriate economic policies.

Nevertheless, one area where the Whitlam government can take credit is for having started the ball rolling on tariff reform, both through the establishment of the Industries Assistance Commission and the 25 per cent tariff cut. These positives more than offset the back sliding that took place in 1974 / 5.

At least in the area of tariff reform the Whitlam government's actions and the rhetoric of the Prime Minister contributed to a more modern view of Australia positioning itself for active engagement with the world economy and a willingness to meet the challenge of becoming internationally competitive, not just in resource based industries but trade exposed industries in general.

In retrospect, the 25 per cent tariff cut almost certainly got more blame for the recession of 1974 / 5 than it deserved. Careful analysis by Fred Gruen and others subsequently demonstrated that

*the wage explosion of 1973 / 4 had a much greater effect on loss of jobs in manufacturing industry than the 25 per cent tariff cut.*

*To use Gough Whitlam's words, the 'nervous nellys' were eventually proved wrong. By the mid-1980s both the main political parties had embraced tariff reform as an essential part of a range of policies designed to position Australia for active participation in the global economy.*

## ***THE AUTHORS: THEN AND NOW***

(grouped by their location in the original volumes, not alphabetically – sorry! rds,2004)

<b>Author</b>	<b>In 1975</b>	<b>1975 Paper Title</b>	<b>In 2000</b>
Roger Scott	Principal Lecturer in Politics, School of Administrative Studies, Canberra CAE.	Coordinator, 1975 APSA conference.	Professor of Public Management, School of Management , Faculty of Business, Queensland University of Technology.
Peter Arnold	Former President, General Practitioners Society in Australia (& politics student, UNE).	The GPSA; the Anatomy and Physiology of a Pressure Group.	Chairman, Federal Council of the AMA (professional editor)
Pat. M. Weller	Research Fellow, Research School of Social Sciences, Australian National University.	The Impossibility of Party Government.	Professor, School of Politics & Public Policy, Griffith University, Queensland.
Robert. F.I. Smith	Research Fellow, Research School of Social Sciences Australian National University.		School of Political Science, University of Melbourne.
David Charles	First Assistant Secretary, Protection Policy Division, Dept. of Special Minister of State.	A Strategy for Tariff Reform	Allen Consulting Group, Melbourne.
Ken Farrell	Advisor, Tariff Policy Branch, Dept. of Special Minister of State.		
Russell Lansbury	Lecturer in Administrative Studies, Monash University.	Performance against Promise: the Labor Government and Industrial Relations.	Professor, Work and Organisational Studies, School of Business, University of Sydney.



Author	In 1975	1975 Paper Title	In 2000
M.W. Jackson	Lecturer in Government and Public Administration, University of Sydney.	Reforming the Future: the ALP and Science Policy.	Professor , Dept. of Government and International Relations, University of Sydney.
James Cutt	Professor of Administrative Studies, School of General Studies, Australian National University.	Income-Support Options for Australia: An Approach to Assessment.	Professor, Public Administration (PADM), University of Victoria, BC, Canada.
John Dixon	Lecturer in Economics, School of Administrative Studies, Canberra CAE.		Professor, Social Administration, Plymouth University, Devon, UK.
Alistair Heatley	Lecturer in History and Politics, Darwin Community College.	Into a Barren Land – A Variation on a Familiar Theme: Labor and the Northern Territory.	School of Humanities, Northern Territory University, Darwin.
Bruce W Davis	Senior Lecturer in Administration, University of Tasmania.	The Political Economy of Expediency: Tasmania's Bell Bay Railway Project.	Associate Professor, IASOS, Hobart, Tasmania.
Joan Rydon	Reader in Politics, LaTrobe University.	Frustrations of Federalism.	Professor Emeritus.
Campbell Sharman	Lecturer in Political Science, University of Tasmania	Federalism and the Study of the Australian Political System	Dept of Political Science, Uni of W.A. (also APSA Membership Secretary)
Keith Richmond	Teaching Fellow in Politics, UNE.	The League of Rights: A Study during the period of the ALP in Government.	A.C.T.

Author	In 1975	1975 Paper Title	In 2000
Mary Gibbons	Ex-Union official.	Women under Labor.	Not Found
John Bennett	Honorary Secretary, Victorian Council of Civil Liberties.	Civil Liberties under Labor.	Deceased
Rod Kirkpatrick	Journalist , Information Section, Dept of Social Security.	The Minister for Open Government.	Not found

Author	In 1975	1975 Paper Title	In 2000
Roger Wettenhall	Head of School of Administrative Studies, Canberra CAE.	Introduction.	Professor, Centre for Research in Public Sector Management, University of Canberra.
John Button	Labor Senator for Victoria.	Parliament under Labor: some Reflections of a New Member.	Retired.
Ian McPhee	Member of the House of Representatives for Balaclava, Victoria (Liberal).	Parliament under Labor: some Reflections of a New Member.	Former Director on the Board of the Australian Broadcasting Corporation.
D.C. Corbett	Professor, Political Theory and Institutions, Flinders University of South Australia; and Chairman of the Committee of Inquiry into Public Service of South Australia.	The South Australian Public Service Enquiry.	Retired.

Peter Bailey	Commissioner, Royal Commission on Australian Government Administration.	Notes on the Royal Commission on Australian Government Administration.	Faculty of Law, Australian National University, Canberra.
Gerry Gleeson	Member, NSW Public Service Board.	Review of Machinery of Government in N.S.W.	Chair, Darling Harbour Authority, Sydney.
Jean Holmes	Lecturer in Political Science, University of Melbourne.	The Public Enquiry in Victoria.	Retired.

Author	In 1975	1975 Paper Title	In 2000
Geoffrey Hawker	Director of Research, Royal Commission on Australian Government Administration.	Machinery of Government: What to do?	Macquarie University, NSW.
Bernard Carey	Senior Research Officer, Royal Commission on Australian Government Administration.		Professor, Deputy Vice Chancellor, Uni of Western Sydney (Hawkesbury).
Roy Forward	Snr Lecturer in Political Science, University of Queensland.	Ministerial Staff of the Australian Government 1972-1974: A Survey.	Assistant Curator, International Prints, Drawings and Illustrated Books, National Gallery of Australia, Canberra.
J.M. Anthony	Private Secretary to the Minister for Social Security And Minister for Repatriation and Compensation.	The Politics of the Bureaucracy and the Role of Ministerial Staff.	Not found (American - returned to the US in the late 70's...then to Fiji.)

John Helmer	Lecturer in Political Science, University of Melbourne.	The Sociology of High Level Advisory Functions in Government.	Not found ... living in Moscow ..?
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Author	In 1975	1975 Paper Title	In 2000
M.R. Rawlinson	Lecturer in Political Science, Mitchell CAE, Bathurst, NSW.	Administering Local Government Reform in Australia: the State experience.	Not found.
I.F. Nicolson	Reader in Public Administration, University of Queensland.	Administrative Reform: Minding the Machinery.	Deceased.

Author	In 1975	1975 Paper Title	In 2000
Martin Painter	Dr Martin Painter, Lecturer in Government, University of Sydney.	Introduction.	Associate Professor & Discipline Head, Government & International Relations, University Sydney.
Ralph Chapman	Senior Lecturer in Administration, University of Tasmania.	The Australian Assistance Plan: A Study of Ineffective Planning.	Honorary Research Associate, School of Government, University of Tasmania.
John R. Robbins	Lecturer in Politics, University of Adelaide.	State and Federal Policy Impact on Hindmarsh 1970-74.	Dept of Politics University of Adelaide.
Michael Wood	Lecturer in Politics and Administration, Western Australian Institute of Technology.	Lollies, Mother and	Professor & Executive Dean, Curtin Business School, Perth.

L.F. O'Meara	Shire Clerk, Kalamunda Shire Council and Secretary, Outer Metropolitan Perth Region.	Strangers in Flash Cars: The Struggle for the Loyalty of Local Government in the Perth Regions.	
Trevor Kanaley	Masters of Urban Studies student, University of Queensland.	Regionalism on the N.S.W. North Coast.	Retired Director General Australian Agency for International Development (AusAID), Canberra
David Kanaley	Masters of Urban Studies student, University of Queensland.		Director, Environmental Planning Services, Byron Shire Council, Mullumbimby, N.S.W.

Author	In 1975	1975 Paper Title	In 2000
Josephine Milburn	Visiting Fellow, Research School of Social Science, ANU.	Community Development in New Zealand and Australia.	Professor Emeritus, Political Science, Uni of Rhode Island, New Hampshire, USA.
Doug Stewart	Senior Lecturer in Communication, Riverina CAE, Wagga Wagga, NSW.	Publicising Governmental Programs in Country Areas.	Not found.