

2014 Sir Edward 'Weary' Dunlop Lecture: Our democracy and its problems

By Terry Moran AC

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Thank you Kee for that introduction and for the honour of being asked to present this year's Weary Dunlop Lecture. It's a great privilege and I am keenly aware that previous speakers have left me with big shoes to fill.

I want to begin by acknowledging the traditional owners of the land we are meeting on tonight and pay my respects to their Elders and the Elders of other nations who may be with us tonight.

I also want to acknowledge all those here who have for many years supported Australia's greater engagement with Asia but most particularly: John Brumby and Sid Myer.

I never met Weary although I do have one small personal recollection of him. I currently live near Melbourne's CBD and as I leave my apartment each morning I walk along a very short street where Weary had his medical offices some decades ago. His rooms were in a building that I remember as also housing Victoria's Government Medical Officer whose role it was to perform medical assessments of public servants.

As I recall it was a fairly dilapidated building and its demolition to create an impressive entrance to what is now the Park Hyatt hotel didn't cause much of stir. *Sic transit gloria mundi* – but it is typical of Weary Dunlop that there wasn't much '*gloria*' about his office. And in today's status obsessed world – one of the extraordinary things that strikes anyone who reads about Dunlop's life and achievements is his combination of individual suffering, heroic leadership and personal modesty. Weary Dunlop is a leader to emulate because he was in touch with the ground and saw the needs of others who shared his time and place.

For me, Weary Dunlop – amongst so many other achievements – therefore embodies the ideal of public service.

I would argue that an aspect of the malaise that currently afflicts our nation reflects the willingness amongst some to relegate this ideal of public service to less prominence – despite community attitudes.

For example - we know from various surveys that citizens admire and trust, at very high levels and above all other groups, those at the front line who still live a life of public service – nurses, teachers, doctors, fire fighters, police and others like them. The problem in my view is that what you might call our broad senior leadership group in Australia is losing sight of something that citizens see quite clearly.

So the challenge for those who occupy – or seek to occupy – those senior positions is to explore how they might recapture the spirit of public service, its focus and its language in many of our institutions.

Weary Dunlop was clearly never a public servant in the literal sense – someone employed under a Public Service Act. But he was someone who worked in the broader public sector – through his work in the military and the health sectors. He was without doubt a public servant in the ideal sense of the description – in that

much of what he did was not about his own personal gain. Indeed much of his life was spent in the service of others – most particularly in the service of the returning POWs whose welfare he championed.

But he was also a servant of his nation – both in the spirit of personal reconciliation that his own life exemplified and in his willingness to help build and rebuild Australia's links with countries to our north.

Each generation fancies itself as being at the fulcrum around which historical change happens – but the truth is that the foundations of Australia's engagement with Asia extend back beyond almost all living politicians – and certainly beyond structures like APEC and the G20.

And one of the reasons to mourn the passing of Gough Whitlam – who was amongst other achievements our last living veteran Prime Minister – is that we have lost another link to the generation of political leaders of both parties who put their lives at risk in the War and then helped build that new relationship with Asia.

In Weary Dunlop's life we can therefore see both senses of the ideal of public service – a personal commitment to helping others but also a sense of shared responsibility. In fact the final entry of Dunlop's war-time diary says:

"This has been a war against monstrous things, but one for which we all share responsibility because of the selfish preoccupations which allowed matters to reach such hideous proportions"

It is worth reflecting on the humility of those words written after witnessing almost unimaginable horror – and experiences that would have led many others to a position of supreme moral self-righteousness.

This all matters because – despite the incessant media analysis and Manichaeism of political debate – I believe we are in a moment of national introspection and uncertainty.

Beyond the passing of Gough Whitlam, the centenary of ANZAC is an uncomfortable reminder that personal experience of two world wars – conflicts which have been central to everything from our national historical story to broader geo-political thinking – will soon be beyond all living memory.

Our current discussion about the formal recognition of Indigenous Australia is also a reminder of what any reasonable person must know: that despite our many national achievements – we have largely failed Indigenous Australians.

As Laura Tingle observed in her extremely prescient Quarterly Essay, there is also the unease created by a widening gap between the expectations of what citizens want their governments to do for them...

...which not surprisingly are expectations that political leaders are only too happy to inflate...

... and on the other hand – the diminishing number and influence of economic and political levers available to government to meet those expectations.

At a deeper level – I suspect most citizens recognise this disparity and it is why there is such a sense of nostalgia for periods of leadership under Labor and Conservative Governments when major economic and social reforms seemed possible.

I also sense a broader concern about the evidence of persistent inequality in our 'lucky country' and the potential for entrenched intergenerational inequality and lack of opportunity – which is a concern that cuts across traditional political boundaries. That concern was in part what underpinned the groundswell of support for the work of David Gonski whose report – it bears repeating – was about a lot more than just a demand for extra funding for schools.

I also suspect that despite the long term economic benefits created by trade with our northern neighbours – like our new Free Trade Agreement with China – more people now recognise the uncertainty that surrounds our political and economic place in an increasingly complex geopolitical world. The xenophobia and economic illiteracy of the advocates of 'Little Australia' notwithstanding – there is no economic free lunch in trade deals – they cut both ways. Anyone who has seen the decline of our traditional manufacturing sector knows this well – but the carbon emissions agreement between the US and China is a reminder to others – perhaps those unused to experiencing that reality – that Australia is a marsupial sharing a dangerous forest with larger economic and geopolitical creatures.

It is against this backdrop that Weary Dunlop and the spirit of public service that he exemplifies is so important. Australia has benefitted – and continues to benefit – enormously from those who have made this type of commitment to public service. Think for example of:

- John Monash and his wartime leadership and subsequent contribution to the electrification of Victoria;
- Edith Cowan's commitment to women's rights and political activism;
- John Bradfield's work on the Sydney Harbour Bridge and Sydney railway systems;
- Robert Garran's work in drafting our Constitution and establishing our first Commonwealth Government in 1901;
- Nugget Coombs and the government-led national reconstruction of post Second World War Australia and his enduring compassion for indigenous Australians;
- Fred Hollows' lifetime of work in Australia and beyond – and those who continue his work; and
- Dr Lowitja O'Donoghue's work to improve the lives of Indigenous Australians.

There are many others that we could add to this list – but I worry that the past is richer in this sort of leadership than the present.

Why has there been this loss of belief in the ideal of public service?

In part – I think it is because we have forgotten some truths and swallowed some mythology about what collective action through government is able to do.

For example – despite claims by some – we have built a strong and low cost public sector in Australia, when measured by any reasonable international standards. The cost of government, measured as a share of GDP, is lower in Australia than in almost all comparable countries [1]. It's lower than the US and Canada and it is also lower than unitary states, like the UK and NZ, giving the lie to the often asserted idea that state-level government is an intrinsic drag on an economy.

We have also forgotten that Federation itself has delivered enormous economic benefits to Australia.

- The National Competition Policy reforms of the 1980s and later National

Reform Agenda associated Human Capital Reforms were all driven through our Federation system – not simply imposed from Canberra – and they have been estimated to have added at least 4.5% to national GDP and potentially more than double that in the long term [2].

- And more generally it has been shown that countries with federal systems have tended to outperform unitary states over the last fifty years, even allowing for the intrinsic difficulties in making these sorts of assessments.[3]

It is also not the case – as some economists would have us believe – that the solution to every problem is just a well-framed market and a price for everything. For example – there are clearly major challenges ahead in providing the level of healthcare services that the community expects. But anyone who seriously believes that greater application of market forces will somehow create a fairer and more efficient healthcare system needs only to look to the US to see that fallacy exposed.[4]

We are also at risk of forgetting the value of disinterested public service advice to government. No one seriously believes that the public sector should be the only source of advice to government – and I doubt it ever really was. Greater scrutiny and contestability of the advice that departments provide to their Ministers would be a good thing and New Zealand demonstrates just how far greater openness can go without destroying the Westminster system of government.

But equally, some of the policy advice offered to government by some peak bodies and lobby groups has really just been rent seeking or shameless self-interest. We forget at our peril that the ability of the Howard Government to introduce the GST was in part only possible through the cooperation of Robert Fitzgerald, then President of ACOSS, and Graeme Samuel, then head of the Australian Chamber of Commerce and Industry[5]. Sadly, it is hard to imagine that level of recognition of a bigger national interest in today's environment.

Australia also holds the dubious distinction of having one of the shortest electoral cycles in the Westminster group of nations. The shortness of this cycle reinforces the value of having a professional civil service capable of offering corporate memory, advice, and strategic planning based on a knowledge of past success and failure. Finally and perhaps most importantly – much in our culture is pushing us away from the underpinning ethos of public service which is that we should count as success not only outcomes for our most successful – but also fair outcomes for the entire community and even by the outcomes of our most marginalised. This is of course a message that many religions have at their core – but it is also a message that Weary Dunlop's life embodies – and in particular the story of his personal defence of injured POWs like Bill Griffiths whose lives were seen by their prison guards as being of being of less value[6].

How then could we rebuild that sense of public service in Australia?

Service on the heroic scale of Weary Dunlop – and others I have mentioned – is probably to some extent a product of nature – as much as nurture. But here at least are four suggestions from my life within government that could at least ensure that the ground for public service is made more fertile.

First – we could act to bridge the gulf that seems to be growing between the public service as an institution and the private sector in Australia.

Having seen the Victorian, Queensland and Commonwealth public sectors up close and personal during my career – I have been struck by the level of reciprocal ignorance between business and government. Business often seems oblivious to

how democracy works and government is usually ignorant of the pressures which bear down on businesses and the approaches business uses to deal with those problems.

Too often government has defaulted to the formality of economic analysis or political favouritism in place of that understanding – and the result has been industry policy that has either propped up inefficiency or that has allowed opportunity – or need – to sail past unrecognised.

It was therefore heartening to hear the head of the Business Council of Australia, Catherine Livingstone's plan to offer short term secondments for senior public servants to work in business to help "close the gap between what government thinks and what business knows".

It was striking that this suggestion was also linked to a genuine attempt by BCA to recast the discussion about industry policy beyond picking winners and into a real debate about where we could improve our national competitive advantage. Second – we could look to develop closer public sector engagement with Asia. There has rightly been a focus on how to build stronger trade and cultural links with our northern neighbours – and Asialink has done great things in this area. It was though slightly depressing to read the results of the recent survey from PwC which found that of the 1000 businesses they surveyed – two thirds said they had no intention of changing their stance towards Asia in the next two to three years.[7] The same analysis also showed that we have invested more in New Zealand than we have in the entire ASEAN region[8] – which suggests that our relationship is still fairly uni-dimensional.

My sense is that this reluctance to engage more fully with Asia stems in some measure from a sense of fear. That fear is hard to understand when we measure the extraordinary leap of faith that Dunlop – and other men and women of his generation – made after the war as they helped rebuild Australia's relationship with Japan. When we hear contemporary concerns about levels of Asian investment in Australia it is worth reflecting on the courage of leaders like Jack McEwen in forging the Agreement on Commerce with Japan in 1957[9] when memories of the war were still a potent political force.

This fear also explains why the public sector – probably the largest employer in Australia – and certainly one of our most important institutions – has been largely absent from engagement with Asia. The capabilities for Asia engagement need to be spread far wider than the important but relatively narrow confines of the Department of Foreign Affairs and Trade.

That means we should be:

- putting greater emphasis on language proficiency and cultural capabilities across all levels of the public sector;
- thinking about Australia's public sector expertise as an exportable national resource;
- and identifying areas where we face shared public policy challenges with the public sectors of Asia – including for example in responding to urbanisation and in the construction and funding of major infrastructure projects.

The enormous economic contribution that comes to Australia from a handful of relatively small CBD areas – suggests this could be one of those shared public policy interests. This is one path into a rapidly urbanising China but given that the new Indonesian President is a former Governor of Jakarta – a shared interest in the

governance and strategic planning of cities could be a way to build closer links with public sectors in other countries.

My third suggestion is that we could rebuild the concept of public service by re-thinking the way our public services interact with Indigenous Australia. As Noel Pearson has so eloquently described – formal recognition in the Constitution is one way to begin that re-thinking. But it also means recognising that – since the arrival of that 18th century public servant Arthur Phillip – my profession has singularly failed to respond to the needs of Indigenous Australians and at times in the past has been complicit in their murder, dispossession and criminal neglect.

Tragically, this has happened despite a series of Prime Ministers – most particularly from Harold Holt onwards – wishing to achieve major reforms and rapid improvement. The success of the reforms on Cape York suggests that Noel Pearson's diagnosis of the need to radically reshape the way that public administration and governments work with Indigenous Australia is correct. And given the challenges of welfare reform in the broader community – it may be that the work in Cape York also points to the future direction of wider welfare reform.

My final observation is about the need for better political leadership. There has been a growing trend for Australian political leaders – on both sides of politics – to portray themselves as effective managers. In doing so – they do themselves and the nation a disservice. Much of the dysfunction in the relationship between Ministers and their Departments comes from quite a few Ministers seeing their role as micro managing their Departments. Not surprisingly – given their usual pre-political backgrounds – most Ministers are, to be blunt, lousy CEO's.

Adding numerous political advisers to this mix has created a spoils system – in effect a network of Baronial courts in some of our Parliaments. From these courts comes an expectation that public servants can be treated like uncritical vassals who are owned by the government of the day and who are subject to the whims of the now numerous precocious courtiers serving at the Baronial court. The number of courtiers serving in these Baronial Courts in some Parliamentary precincts is now so large relative to other Westminster countries – and their lack of professional capability in the business of government and public policy so pronounced – that our system of government is being changed from within.

One example of the problems emerging is a tendency for balanced professional advice from public servants to be interrupted in transmission before it is properly considered. The short term near sightedness of government in some jurisdictions and the lack of a credible strategic approach to reform is one consequence of this problem.

It is becoming apparent that the public recognises this and does not reward governments which operate in this way – as evidenced by opinion polls and the emerging trend for average time in office to decline.

There are of course exceptions to the above and I agree with Paul Keating's recent positive comments about the reform focus of the current NSW Government. NSW is an example of a government which has set out to reactivate the Australian Westminster system and is beginning to reap the economic rewards flowing from good government. It seems that the new Victorian Government also has similar ambitions.

The real focus of our political leaders should therefore be – and in the case of the

good ones is – on their ability to touch the ground and build coalitions of support for new ideas and reforms. By this means the public can be taken on a journey as support for reform is built.

None of these suggestions would be easy or risk free – for our public sector, for our political leadership, for the private sector and the community – because they challenge, self-interest, complacency and tradition. In essence they demand courage – and an ability to overcome what Edmund Burke called "false, reptile prudence, the result not of caution but of fear"

But it is surely a chance worth taking. None of it will be easy – but if we ignore the value of public service it will expand the hole that currently sits in our national heart. The temptation to assign any of these challenges into the too hard basket of "wicked" problems is a cop out and reflects a lack of courage.

'The fault is not in our stars but in ourselves.'

And for what he did during his life – and for the lessons that his extraordinary life continues to provide us with – Edward Dunlop's courage should inspire us to action.

Thank you.

[1] OECD <http://dx.doi.org/10.1787/888932389873>

[2] Page XXVIII

http://www.pc.gov.au/_data/assets/pdf_file/0003/61158/nationalreformagenda.pdf

[3] Page 20 <http://www.caf.gov.au/Documents/AustraliasFederalFuture.pdf>

[4] <http://www.vox.com/2014/6/11/5798558/four-maps-that-show-the-insanity-of-american-health-care-prices>

[5] Page 79 Taxing Reforms: The Politics of the Consumption Tax in Japan, the United States, Canada and Australia <http://books.google.com.au/books?id=Wh-tt6G2IEYC&printsec=frontcover>

[6] <http://www.independent.co.uk/news/people/obituary-sir-edward-dunlop-1483103.html>

[7] Page 5 <http://www.pwc.com.au/asia-practice/assets/Passing-us-by.pdf>

[8] Page 8 <http://www.pwc.com.au/asia-practice/assets/Passing-us-by.pdf>